Annual Review of Life Insurance *(Pages 13-19)*

Canada's Back-to-Land Movement *(Page 3)*

LARGEST CIRCULATION
OF ANY CANADIAN
FINANCIAL PAPER

THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

CANADIAN MINING NEWS
DEPARTMENT ON
PAGES 23-24

Vol. XXVIII | Member of Audit Bureau of Circulations | PUBLICATION OFFICE: TORONTO, MARCH 17, 1934 | 10c a Copy; $5.00 a Year | No. 11

The Nation's Business

Stevens Committee
Should Study
U. S. Code Results
Is Committee Fair?
Leading Questions
Show Some Members
Have Minds Fixed
Constitutional Bars
Present Problem

Probe Can Learn From U. S. Codes

IT MAY be that the best evidence the Stevens Committee on Mass Buying and Price Spreads could get would be evidence that is not available in Canada. It would be a good investment for the committee to visit Washington and half a dozen representative United States communities, there to study the results of the National Recovery Act in operation.

Everything the committee is looking into has been the subject of legislation across the border. American business has had the better part of nine months of practical experience in the operation of legal and quasi-co-operative controls of wage rates, hours of work, sweatshop labor, quantity discounts, price maintenance, trade practices, etc.

It is right, of course, for the committee to take evidence first of all to determine whether or not there are prevalent in Canada unsatisfactory trade conditions whose control can properly come within the purview of Government. It is right that the committee should obtain expert Canadian advice as to the best means of ending abuses, not only those abuses that are the product of the short tempers of a long depression but those abuses that threaten to become a permanent part of our social and economic system.

* * *

BUT no evidence has yet been presented of any conditions peculiar to Canada. Certain conditions may present themselves more emphatically in Canada than elsewhere. For instance, the United States has no merchandising concern that is relatively as important as Canada's largest single merchant company. But the difference is in degree, not in principle.

A year ago President Roosevelt set out, with the enthusiastic acclaim of probably the majority of business men of his country, to find a new formula for determining the ethics of business. Planning and control by the State were invoked to supplement and strengthen whatever self-government had formerly existed in business.

Today the new American philosophy and the new American code systems are being reviewed and in considerable measure modified. Even the revisions are tentative, as unproved as the original basis of the scheme.

* * *

WHY shouldn't Canada benefit from American experience? Why shouldn't we avoid many of the American mistakes? We have but to observe to be better informed than they were in 1933, better informed than they are today because we can, if we will, view the new control objectively and from a detached viewpoint.

It would be most unfortunate if the Stevens Committee were to pay no attention to what has been going on in the States, were to recommend that Canada jump blindly into State control of business, just as the United States jumped blindly last year. The danger is far from hypothetical. Some rather authoritative forecasts of the legislation that is to follow the sittings of the Stevens Committee at Ottawa are now coming out of the Capital. The very manner in which the committee is conducting the enquiry leaves the impression that what is sought is to make a case, to confirm and support predetermined opinions rather than to enquire fully, independently, honestly.

* * *

Enquiry is Not Conducted Fairly

IF MR. STEVENS, chairman of the committee and his counsel, Norman Sommerville, K.C., are honestly trying to get at the true facts in a fair and judicial manner, then their manner of conducting the enquiry is doing them a genuine injustice and greatly militating against their best intentions.

A careful reading of the verbatim evidence is bound to leave any earnest seeker after the truth in a state of uncertainty as to whether politics or reform is the chief objective. Some quotations from the actual evidence may be made to advantage.

Gustav Francqu, chairman of the Minimum Wage Board of Quebec, had just accused large buyers of "dictating" prices. Mr. Ilsley and Mr. Factor were endeavoring to find out what was meant by dicta-

(Continued on page 2, col. 3)

DOMINION SALE OF SHORT BILLS A MAJOR MOVE

See Opening Short Term Money Market in Canada

SAVED $100,000

Obtained Low Rate — List of Possible Buyers Built Up Before Departure Was Made

From Our Own Correspondent

OTTAWA—Major importance is attached by the Finance Department to the issue on March 6 of $15,000,000 of short-term treasury bills, maturing in two blocks, June 1 and Nov. 1 of this year.

The issue was made with a view to providing the treasury with money to carry on until long term financing is arranged. The present time, for various reasons, was considered unsuitable for other than short term offerings.

But, in addition, the finance department has carried out successfully an experiment which involves a definite and an important departure from traditional policy. Officials, for some time, have been considering the possibility of developing in Canada a short-term money market. Hitherto the nearest market has been New York and in the past four years the use of the New York market has been attended by disastrous consequences to several Canadian borrowers, governmental and private. Moreover, the development of a short-term market in Canada was believed to hold out promise of reduced debt charges to the treasury.

Can Be Developed

The experiment is accepted here to prove that a short-term market can easily be organized for Dominion and provincial issues. Whether it can be extended to include corporations is another matter.

In the past the method followed by the finance department in obtaining short-term money has been to negotiate, privately, a sale to one or more of the chartered banks. The possibility of selling bills in a competitive way was never considered or, if so, was deemed impracticable.

Before attempting the recent experiment, the department made detailed enquiries and built up a list of companies that might possess cash which would be available for short-term investment. Hitherto, the government has paid from 3¾ to four per cent, and sometimes more, on treasury bills. The list comprised banks, insurance companies, financial houses and corporations that might be building up cash reserves against dividends or bond interest due in the near future. Notice of the impending issue was sent to all of them and provision made to include any companies or individuals that might have been overlooked. Tenders were invited and the department was prepared to sell the bills in blocks of $100,000.

Competition Keen

The tenders were received and the bills were allocated, one block of $12,550,000 at 3.12 per cent maturing November 1; the remaining $2,450,000 at 2.85 per cent, maturing June 1. The net rate on both is slightly in excess of three per cent. The names of the successful bidders have not been divulged but it is understood that competition from companies other than banks was keen. In effect, the department saved the treasury nearly one per cent, or upward of $100,000 on the transactions.

The finance department regards the experiment as an unqualified success and as an indication of operations which the central bank, when created, will be able to do even more efficiently. Officials believe that every dip in the Federal interest rate must gradually exert influence all the way along the line of commercial money rates. The effect on Dominion bond rates is expected to be noticeable. Officials point out that the price of Dominion bonds has risen steadily in recent months and the current investment return is about 4.02 per cent.

1934 Loan Prospects

With this trend likely to become more pronounced in the immediate future, the prospects for Federal financing in 1934 are bright. There is $423,977,527.12 of debt to be refinanced this year and the interest

(Continued on page 2, col. 2)

Trade Competition Must Be Controlled Is Ottawa's View

This is Philosophy Back of Stevens Committee

CONTROLS FORECAST

Combines Act Will be Revised and Provision Made for Codes of Fair Competition

On page 8 The Financial Post continues its weekly summary of the official report of the Stevens Committee evidence.

By Staff Editor

OTTAWA—Indications are that the business practices committee—known officially as the Special Committee on Price Spreads and Mass Buying—will continue to take evidence three days a week until Parliament rises. A vast field for enquiry has been opened up and it is already apparent that Mr. Stevens and his associates can do little more than begin to explore the social and economic implications of the primary movements they are studying.

An interim report will be presented to Parliament toward the end of the session which will make some definite recommendations regarding legislation and an attempt may be made to implement some of these recommendations at the present session of Parliament. It is possible that the government will appoint a Royal Commission to make further specific studies of three or four angles of the problem of price spreads.

Reactions are Heard

Ottawa has kept its ear to the ground listening for the public reaction to the evidence that has been published. What Ottawa has learned is this:

That manufacturers generally are delighted to see a full exposure of excessively low wages and sweatshop working conditions, since the shyster manufacturer is regarded as the common enemy of honest business and honest labor;

That the business community at large has been somewhat disappointed by the manner in which very vague and general accusations of misconduct have been hurled at business institutions at large and by the manner in which witnesses, who might have been expected to contribute valuable ideas to the committee's knowledge, have been summarily and curtly cross-examined as though they were malefactors;

That the evidence has had a profound effect in stirring up mistrust of big business among the general mass of citizens.

Action is Forecast

On the whole the government is satisfied with what the committee has accomplished to date. If the additions to social and economic knowledge have not been very great, the political value of the committee has been considerable to the government.

It is not too early to begin to forecast some possible legislative developments from the committee's studies. A hint of these had been given previously in various speeches by the Honorable H. H. Stevens, Minister of Trade and Commerce, who is chairman of the committee, and from the emphasis that is placed on different phases of the enquiry one can judge which way the wind is blowing.

Those who are most closely in touch with Mr. Stevens hazard the following forecast and do so with an air of confidence.

Amend Anti-Trust Law

1. The Combines Investigation Act will be amended to make it possible for associations of business men to combine for the purpose of fixing standards of practice, margins of profit and retail prices. Under the new economic philosophy—to which Mr. Stevens apparently subscribes—the price-cutter is a worse enemy of the working man and the consumer than the price-fixing trusts.

2. A Federal Trade Commission or Board of Commerce will be established whose duty it will be to validate and regulate the operation of fair trade "codes" among groups of business men who desire to reduce and control competition in their fields. This will adapt to Canada a large number of the features of the National Recovery Act of the United States. That Prime Minister Bennett has already gone on record

(Continued on page 2, col. 6)

Lower Ford Prices Result of Freight Cut

Reductions in Ford car delivered prices have taken place in certain districts in Canada, The Financial Post was informed by Wallace R. Campbell, president of Ford of Canada, these reductions being made possible by lower freight rates. No change has taken place in the f.o.b. price of Ford cars, either in Canada or United States, Mr. Campbell stated.

Sectional reduction in price of Ford cars in the United States was interpreted by automobile men as being a challenge of Ford to Chevrolet, which had achieved lower quotations by quoting delivered price instead of f.o.b., according to reports in United States dailies.

DOMINION HAS EAR TO GROUND ON MORTGAGES

Important Developments to Ease Lending May Come

By Staff Editor

OTTAWA.—The Bennett Government has its ear to the ground on the mortgage situation throughout Canada, The Financial Post is informed. Some important developments can be looked for, it is stated in well-informed quarters.

Just what is being considered has not been divulged. But in view of the rise of commodity prices, improvement in stock and bond prices, and general betterment in consumption industries, the frozen condition of the mortgage loan business, and the resultant dearth of new construction, are considered striking. Some steps may be taken to encourage mortgage lending, which, economists state, is essential to recommencement of capital goods activity. This would include private building and construction and would benefit allied trades, which have been among the most sluggish in recovery, and which account for much of Canada's unemployment.

May Alter Moratoria

It is possible that the Bennett government is considering some action to free mortgage lenders of provincial "debt adjustment" legislation. Casual comments by leading executives of lending institutions in recent months have indicated a feeling that the federal government might be approached to bring about relaxation of provincial moratoria. This would give confidence to mortgage lenders, it is claimed. And, in view of the sharp improvement in better grade bond prices, might lead to new investment in mortgages where yields are more attractive than government securities.

Another possibility is that Ottawa may urge large mortgage lenders to reduce interest rates in return for improvement in debt adjustment legislation.

Interest in Mortgages

The interest the Bennett government is understood to be taking in mortgage lending is particularly striking because there has been no hint of any action on the results of the investigation of the banking and commerce committee into the whole question of interest rates, debt and mortgages last year. There has been no announcement for months that would indicate any particular government policy on mortgages and interest rates on private loans. This is considered remarkable by creditors, especially in view of the damage that is said to have been done by provincial debt adjustment legislation.

Brewers and Distillers Plan Changing Capital, Policy

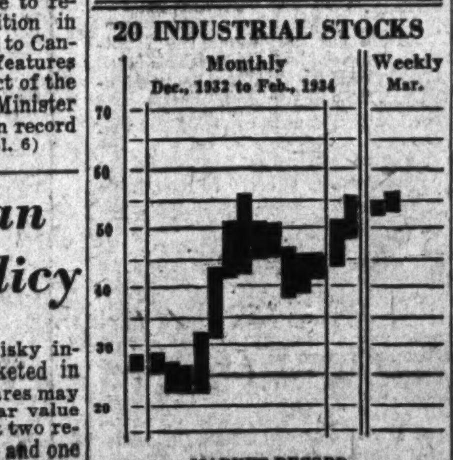
Brewers & Distillers of Vancouver is said to be considering a capital reorganization and a change of policy.

The company has 3,500,000 gallons of matured whisky in stock and, according to English reports, is selling this in the United States at around $5.75 a gallon. This news as to price probably ante-dated the 25 per cent drop in prices required of Canadian companies by Washington.

The change in policy is understood to be to reduce the company's outstanding capital during the next two or three years in proportion to reduction of assets as whisky inventory is gradually marketed in the United States. New shares may be issued for the old no par value stock, the report being that two redeemable preference shares and one new common share of $4 par value may be issued for each four shares of the present stock. As funds accrue from sale of whisky stocks the preference shares will be redeemed.

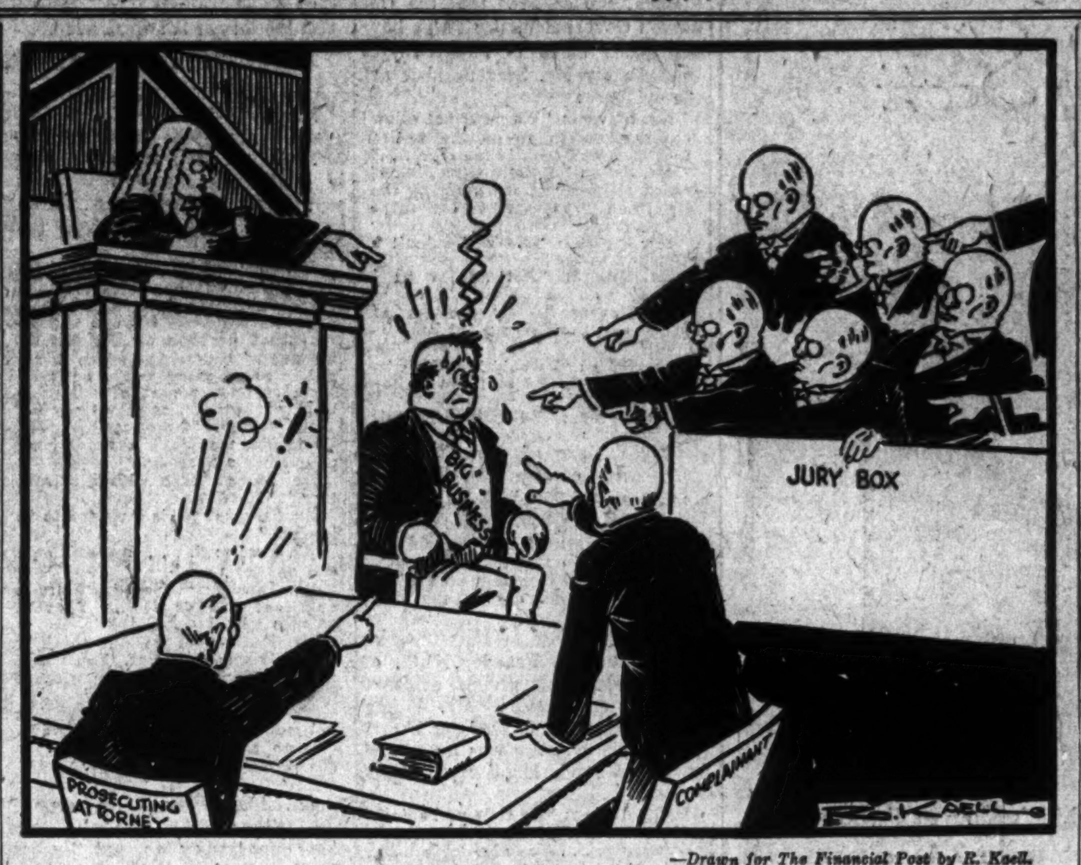
As a policy looking forward to the time when the United States market is saturated, the company intends curtailing manufacture of whisky and concentration rather on producing light ales and beers for the domestic market.

Stock Market



MARKET RECORD

20 Industrial Stocks	High	Low
Week of Mar. 13	56.9	53.3
Week of Mar. 6	55.0	51.9
Month of Mar., 1933	26.7	22.1
10 Public Utilities		
Week of Mar. 13	55	52
Week of Mar. 6	53	52
Month of Mar., 1933	44	40
8 Bank Stocks		
Week of Mar. 13	189	185
Week of Mar. 6	189	187
Month of Mar., 1933	158	150



—*Drawn for The Financial Post by R. Kaell.*

WHY IT'S CALLED THE STEVENS COMMITTEE

Power Corp. Equity Registers Increase

From Our Own Correspondent

MONTREAL. — Market value of the public utility bonds and stocks and other securities held by Power Corp. of Canada has moved forward in general sympathy with the market, with the result that the book equity back of the common shares has increased from about $6 at the end of last June to somewhere between $13 and $15 a share at present. This calculation is arrived at after deducting the outstanding debentures and preferred stock of the company, as well as current liabilities.

For the first six months of the current fiscal year ended December 31 last, Power Corp. reported a net income, after bond interest, of $317,066. This compares with $353,925 for the corresponding period in 1932. In addition, profit on sale of securities during the period amounted to $124,942, while in the 1932 period a loss of $87,000 was recorded.

REORGANIZING ONLY WAY OUT FOR DAIRY CORP.

Shareholders Eliminated if Present Plan Fails, Says President

Shareholders of Dairy Corp. of Canada were informed by J. A. Caulder, president and managing director, at an informal meeting last week that their only chance for participating in any advance the company may be able to make in the future lies in acceptance of the reorganization plan to be considered at the meeting on March 27. He declared that shareholders must face the fact that any reorganization plan accepted must be satisfactory to debenture holders and also to the banking and other interests (including shareholders) involved in reorganization plans for Mt. Royal Dairies, Ltd., in Montreal, for City Dairy, Ltd., in Winnipeg and for Canada Dairies, Ltd., in Toronto. The alternative is that debenture holders take hold and entirely eliminate the shareholders.

Four Reorganizations at Once

Delicate negotiations have been and are being carried on with various interests involved in the three important subsidiaries named and these too must be brought to successful settlements by agreement before March 27 if the reorganization plan of the holding company is to succeed and if Dairy Corp. is eventually to realize the objectives which were responsible for its being formed in the first place.

It is understood that in every case the bankers and others concerned in the affairs of the subsidiaries have shown a willingness so far to consider a settlement which takes into account interests of all parties and tries to maintain the group unity and that they think this would be desirable.

Still Pushing to Objective

So far as the parent company is concerned, its principal problem as revealed by the balance sheet of January 1, 1934, is to meet or take care of bank loans of $398,850, secured by investments and part of an issue of debentures. Under the proposed plan new securities are set up which eventually can be sold to retire the bank loan of $398,850. Until this is done the debenture interest and preferred dividends cannot be paid even though earned.

Mount Royal Dairies, Ltd., the Montreal subsidiary, has outstanding general mortgage bonds and of these Dairy Corp. owns a par value of $111,000 valued at $88,000 as well as class A and class B no par value shares. That company has had a difficult time for the last two years and in its attempt to make a new deal with one of the Montreal banks it is hoped that a satisfactory solution is near. The reorganization plan for the Montreal company is in-

(Continued on page 2, col. 5)

PAVING FIRMS LOOK FORWARD TO BETTER YEAR

Ontario Government Reported Likely to Double Road Programme

Reported intention of Ontario Government to double amount of road building and repair work in 1934 has turned interested attention on the stock market to possibilities of Standard Paving & Materials and Dufferin Paving & Crushed Stone. Both companies would naturally benefit materially from revived road programmes just as they have suffered in the last two years because of a partial stoppage of work of this character. Government borrowing has faced such difficulties in the last few years that even greatly needed work was left over until such time as markets were ready to finance capital expenditures once more.

Standard Paving & Materials controls permanent and portable asphalt paving units in Ontario, Quebec, Nova Scotia and New York State and a number of sand and gravel pits in Ontario. The company has a fleet of six material boats, several of which are self-loading and discharging. The latter may prove an important element in the company's earnings not alone for company purposes but to deliver sand and other materials needed in New York State if the United States Government permits export of materials for road construction programmes in that state or permits these boats to engage in coast-wise traffic from some United States source. The latter is not regarded as likely. If the St. Lawrence waterways scheme is proceeded with, these material boats would also have an opportunity for remunerative work.

Never Saw Such Year

Last June, J. E. Russell, president of Standard Paving & Materials, stated that business available both in pavements and materials was so drastically curtailed and prices so substantially reduced that the operating officials in all their experience had never had to contend with such difficulties. It has a loss in the year ended March 31, 1933, of $142,197 after depreciation of $131,157. It is hardly likely that the current year ending March 31, 1934, will show any difference in trend sufficiently marked to be of interest to shareholders.

Dufferin Paving benefits materially when large building construction projects are under way and has railway contracts for ballasting large sections of railway in Ontario.

The president, James Franceschini, reported that the company entered 1933 with construction contracts and concrete and crushed stone orders in excess of similar amounts usually carried over at the end of the year.

Footwear Trade Is Fairly Active As Season Opens

Official production figures for footwear in January show that the increase in output which had been predicted from the extent of operations was fulfilled. A good gain is shown over both December and January a year ago. Reports for February and March stress increased employment and a good volume of orders.

		Change From Prev. Period %	Change From Prev. Year %
Monthly	Feb. '34		
Sugar mfg.,* lbs.	19,844,708	—10.2	— 2.5
	Jan. '34		
Ftwear prod., prs.	1,030,667	+ 9.0	+12.1
	Dec. '33		
Gasoline sales, gal.	28,076,000	—20.1	— 5.4
Weekly†			
Carloadings, No.	42,610	+ 2.8	+24.5
Cattle sales, No.	10,570	— 6.0	+24.0
Hog sales, No.	21,506	—17.0	+ 7.5

*Four weeks period ended Feb. 24.
†Weeks ended Mar. 3, 8 and 3 respectively.

Highlights of the week

Your Insurance

Modern methods of handling the estate that your life insurance creates. Page 13. Accomplishments of life companies, Canada's largest deposit-holders, in 1933. Page 13. Six pages of life insurance analysis in annual survey—an exclusive Post feature. Pages 13 to 19

Back-to-Land

How 107,252 Canadians have been returned to the soil. First of a series of articles on the back-to-the-land movement as an answer to the relief problem. Page 3

Corporate State

Meaning of Fascism's growth in a disturbed world. The place of democracy and class warfare in the Italian corporate state. Page 12

Big and Little

The same principles apply to the million dollar business as to the corner store in arranging to sell your business to employees if you die. R. M. Haultain outlines the plan. Page 10

Central Bank

How its balance sheet will look when it opens for business. Gold reserves, note issues, deposits and securities will be big items. Page 11

New Deal Slump

The United States has been in a new deal depression without knowing it. J. L. Burton Lewis tells why. Page 20. The 12-point plan for reorganizing the N.R.A. outlined by Dr. Gaines T. Cartinhour of New York University. Page 20

Austrian King?

Return of the Hapsburgs to the Austrian throne may be no more than a possibility. Just what the present chances are. Page 6

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LEGAL SNAGS BESET PLANS WHEAT QUOTA

Difficulties May be Overcome by Joint Legislation

PLAN FOUR BOARDS

Authorization of Provincial Boards by Dominion and Federal Board by Provinces Solves Initial Problem

From Our Own Correspondent

WINNIPEG.—Although legislation planned to control all marketing of wheat has been delayed in introduction in the provincial legislatures by the premiers of Manitoba, Saskatchewan and Alberta, the main features of the scheme are known.

The plan provides for the creation of four separate boards—one in each province—to be known as Emergency Wheat Control Boards—and a Dominion board to be known as the Central Marketing Board. The Provincial Governments are to be given power to create these boards, if necessary, and the legislation will provide that the interpretation of these words is to be: If the wheat crop of 1934 is not reduced below normal by grasshoppers or other damage, or by voluntary acreage reduction, each provincial board will be given powers to license the purchase and sale of wheat within provinces, while to the Central Marketing Board will be conveyed complete powers to control marketing of wheat.

May Act Jointly

Each provincial board will have powers to act independently, or jointly, with the other provincial boards or with the Central Marketing Board, and the Central Marketing Board will also have powers to act independently or jointly. To the Central Marketing Board will be given wide powers to carry out Canada's obligations under the London Wheat Agreement.

To get over constitutional difficulties involved, it is planned that each provincial board and the Central Marketing Board will be given powers both by the provincial legislature and the Dominion parliament.

Members of each provincial board will be appointed by the Provincial Government but it is believed that it will be necessary for them to be concurrently appointed also by the Dominion Government and while the members of the Central Marketing Board will be appointed by the Dominion Government, it is also understood that they will be concurrently appointed by the Provincial Governments. By such appointment and by concurrent legislation it is believed that these boards can be given all the power necessary under the Dominion control of trade and commerce and under the provincial control of property and civil rights.

No Sales Quota Yet

Up to the present it is understood no agreement has been arrived at as to the way in which these boards would divide up total sales quotas among the provinces and the plan by which the provincial boards in turn would allocate individual quotas to producers is still to be developed. By leaving such questions of detail to be worked out later it is believed that some of the criticism which would otherwise be directed against the legislation would be avoided and that the three Provincial Governments may avoid the difficulties which otherwise would arise in getting the legislatures to accept these plans.

Begin Propaganda

Although the statement made by Mr. Bennett in parliament on Tuesday implies that the Provincial Governments are to take power, prior to the establishment of the boards, to do all things necessary to bring the production of wheat in each province in line with the established current demand for export wheat in 1934-35, no steps in that direction are contemplated by the Governments of the provinces except such as may be involved in propaganda for reduction of acreage. The boards themselves would have nothing to do with reduction of production, inasmuch as they would not be created until past seeding time.

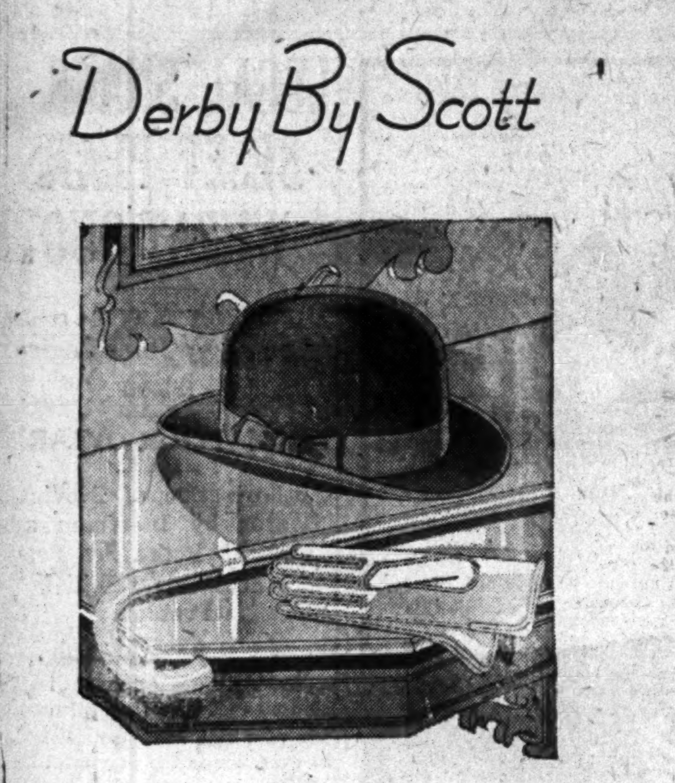
Further, Durum growers in the province have a special grievance against the Wheat Pool, and also they claim against the Dominion Government, because they did not receive any of the high premiums for which their grain was sold in 1930. Some members, it is known, plan to oppose the legislation until assurances are given as to the method which would be followed both in determining Manitoba's share of wheat deliveries, and the procedure which would be followed in allocating individual quotas.

Howey Gold Mines Reports $155,277 Net Profit for '33

Howey Gold Mines reports a net profit of $155,277, equivalent to three cents per share, for the fiscal year ended December 31, 1933. Gross revenue was $1,161,424, operating expenses were $783,799, leaving an operating profit of $377,626, from which depreciation and other reserves totalling $222,350 were written off.

MEN'S SHOP

Derby By Scott



In the new Men's Shop at Eaton's-College Street you will find a most complete selection of London-made hats. Sketched is a roll brimmed derby by Scott — priced at $10.00.

You will also find a fine assortment of Fedoras in both rolled and snap brims. Priced from $4.50.

Main Floor — College and Bay Streets wing.

EATON'S - COLLEGE STREET

DOMINION SALE OF SHORT BILLS A MAJOR MOVE

(Continued from page 1)

now being paid runs from 3½ to 5½ per cent. The 1919 Victory loan of $222,216,850 is rated at 5½ per cent and is due Nov. 1. An issue of $33,283,470.85 of School Lands debentures matures July 1. This is money held in the School Lands trust funds at Ottawa on behalf of the three prairie provinces and will simply be replaced by new bonds bearing interest at the average rate being paid by the Dominion. No problem of re-financing exists in this regard. There are two issues maturing at New York in the fall, totalling $95,000,000, and the balance is a British loan (1884) at 3½ per cent and coming due June 1.

The finance department hopes to save nearly one per cent on the conversion of these loans, which will mean a lessening of fixed charges by more than $4,000,000 per year.

Competition and Rates

But the importance attached to the sale of the treasury bills is that by introducing competition a further decline in interest rates was achieved. And, also, the foundation was laid for the organization of a short-term money market in Canada.

3½% ON DEPOSITS

Interest at the rate of 3½% per annum compounded half-yearly makes your savings grow surprisingly fast. Your savings with the Canada Permanent earn this rate with safety.

Founded 1855

CANADA PERMANENT Mortgage Corporation

320 BAY STREET TORONTO

ASSETS EXCEED $70,000,000

Montreal Tramways Meeting is Adjourned

From Our Own Correspondent

MONTREAL.—The annual general meeting of shareholders of Montreal Tramways Co. was held at the beginning of the week. The meeting was immediately adjourned to April 26, when the annual report and other matters will be passed upon by the shareholders.

THE MEANS TO TRAVEL

Many people of moderate income manage to enjoy the benefits of foreign travel because they follow a plan of systematic saving for that purpose. A Savings Account grows at compound interest and provides a cash reserve to meet emergencies.

THE ROYAL BANK OF CANADA

The Nation's Business

(Continued from page 1)

tion of prices. Mr. Stevens brusquely cut off the discussion:

Mr. Stevens: "That is well known; it is no secret."

Mr. Francqu: "No, sir."

Mr. Stevens: "Common practice."

* * *

TOM MOORE, president of the Trades and Labor Congress of Canada, had charged that the Dominion Government itself was buying goods made in sweat shops. Immediately Mr. Stevens shut off the evidence:

Mr. Stevens: "We must not allow observations to go on the record that such and such is the case . . ."

Mr. Ilsley: "Is there any check of sweat shop conditions made by the Dominion Government on these purchases."

Mr. Stevens: "We will submit a question to the ——"

Mr. Moore: "Not as far as I know."

Mr. Stevens: "—— Department of Labor and the government authorities."

Mr. Ilsley: "I would like the witness's answer. He says not so far as he knows."

Mr. Stevens: "He could not possibly know."

Mayor Kerr of Stratford had given evidence of a furniture suite selling at $59.95 which he thought might have cost $65.

Mr. Stevens: "If a suite sold for $57 which you say would cost $65, it is left to us to imagine what the labor conditions are in the factory . . . ."

* * *

LATER J. J. Frawley, K.C., of Alberta, was giving evidence on milk distribution. Mr. Young was endeavoring to find out if certain of his evidence was first-hand or second-hand. Mr. Stevens interrupted:

Mr. Stevens: "He tells us he does not know this of his own personal knowledge. . . . Many business men, of course, know a thing without being able definitely to prove it. I think we can accept his word, and we will re-check this by examination at the factory."

* * *

Mr. Stevens: "It is well known that frequently milk has been used in the way Mr. Frawley described (loss leader). It is well known. I think we can take his evidence as indicating what is carried on in many cities; because I myself personally know of many instances such as this."

When J. Stanley McLean, president, Canada Packers, was on the stand, the chairman observed:

Mr. Stevens: "All I can say is the farmer is the goat."

And again:

Mr. Stevens: "I think it is the primary duty of this committee to search out and find just why it is that the farmer is always left holding the bag."

* * *

WHEN Warren K. Cook, president of the National Fair Trade Council, was giving evidence, Mr. Stevens took the opportunity of expressing his own views on advertising in the form of leading questions. This interchange took place:

Mr. Stevens: "In one issue of the Toronto Star one departmental store, Simpson's, have 18 full pages of advertising. Is it your suggestion that because of this terrific amount of advertising space in the public press there would be a reluctance on the part of the press to give publicity, shall we say —"

Mr. Factor: "I do not think, Mr. Chairman, that that is a fair way of putting a question."

Mr. Young: "It is a leading question."

Mr. Stevens: "It is intended to be leading."

Mr. Factor: ". . . . There is only one answer to it."

Mr. Stevens: "Of course there is only one answer to it. That is exactly why I asked it."

Mr. Factor: "I do not think it is a fair way to put it. You might ask the witness his opinion without putting a leading question."

Mr. Stevens: "The chairman has not much chance of passing his own opinion and sometimes he has to put it that way."

* * *

MR. SOMMERVILLE, counsel for the enquiry, also takes suitable opportunity to put leading questions and to throw in "obiter dicta" indicating a lack of independence in his enquiries. Mr. Cook is still on the stand:

Mr. Young: ". . . . I want to know if people are buying as much goods as they used to; if they are not buying as much. I want to know."

Mr. Sommerville: "That would follow, from the wages we have been hearing about."

Enough has been quoted to indicate that the committee, or at least the chairman and the chief counsel, are out to make a case, and apparently a predetermined case. This lack of fairness in the manner of handling the evidence is injuring the magnificent opportunity that the committee has to make a useful contribution to Canadian social and economic understanding.

* * *

Interprovincial Competition

THE constitutional problems facing the Dominion Government in attempting to work out business codes for Canada and legislation regarding such matters as minimum wages cannot be dismissed with a wave of the hand. Many a time in the past the constitutional difficulties have been got around by legislation enabling the provinces to act or by provincial legislation enabling the Dominion to act. And this week the three prairie provinces and the Dominion simultaneously acted in connection with wheat shipping quotas. But in the wheat case there is apparently agreement among all parties concerned. In the case of fair trade practices and labor conditions there is evidence that agreement definitely does not exist.

A few years ago one of the leading cities of Quebec, advertising for new industries, stressed the fact that laws regarding female labor, workmen's compensation, hours of labor, etc., were less onerous in that province than elsewhere. Many industries have moved from Ontario to Quebec because minimum wage laws and other regulations are less firmly enforced in the latter province.

While the Stevens Committee is listening to evidence in which "mass buyers" are blamed for low wages and long hours the public should not forget that there is a keen and a very unfortunate factor of interprovincial competition entering into the matter.

STEEL OF CANADA EARNINGS HIGHER, LIQUIDS INCREASE

Expands Activities in Producing Alloy and High Quality Steels

Steel Co. of Canada improved earnings and working capital position materially in 1933. Its net earnings were $1,902,785, the financial statement shows, as compared with $1,435,873 in 1932. After a larger write-off for depreciation, amount available for preferred dividends of $454,741 and common dividends of $552,000 fell short by only $330,667, as compared with a deficiency of $1,042,315 in 1932. However, the company's accumulated surplus only fell from $12,753,772 to $12,423,104. This result is very encouraging in view of the fact that business reached the lowest ebb in May, 1933, over many years. There was improvement from May on in sales.

CONSOL. INCOME AND SURPLUS ACCOUNT
Years Ended December 31

	1933 $	1932 $
Net earnings*	1,902,785	1,435,873
Add: Other inc.	411,484	498,940
Total net earn.	2,314,269	1,834,813
Less: Deprec.	‡1,402,650	998,014
Bond interest	235,545	256,106
Bond sink. fund ...	....	363,267
Net profit	676,074	217,426
Less: Pref. div.	454,741	454,741
Ord. div.	552,000	805,000
Deficit for year	330,667	1,042,315
Add: Prev. surp.	12,753,771	13,796,087
Balance forward	12,423,104	12,753,772

*After charges for repairs, maintenance and provision for income tax.

‡Combined with bond sinking fund reserve, heretofore shown separately.

Additions to the plant during 1933 were less than usual but significant of changing trends. A new chipping building and a new department for the storage and preparation of ingot molds were being built at the end of the year. They reflect the extension of the company's activities in the production of the alloy steels and the general development in the demand for steel of high quality subject to exacting specifications.

Working capital strengthened materially as shown by the following table:

Working Capital

	1933 $	1932 $
Current assets	15,936,522	14,914,141
Current liabilities ...	1,318,248	1,000,819
Working capital	14,618,274	13,913,322
Ratio	12.08—1	14.90—1

Bonds Up, Inventories Down

Higher current assets were the net result of the following changes: cash down from $893,569 to $794,303; call loans up from $85,000 to $180,000; Dominion of Canada bonds and other approved securities up from $6,693,307 to $8,075,464; bills receivable up from $62,782 to $64,579; accounts receivable up from $1,730,723 to $2,169,624; inventories down from $5,448,757 to $4,652,549; and special funds down from $1,418,767 to $1,384,667. Market value of securities is higher than shown.

Brewing Corp. Lists Additional Shares

Application has been made by Brewing Corp. of Canada to list 2,056 additional preferred shares and 51,921 additional common shares, according to an announcement made by E. P. Taylor, president and general manager. All the preference and part of the common shares have been issued in exchange for minority stock of subsidiary companies and shares of other brewing companies. The remainder of the common shares listed represent a block of stock sold to English interests recently.

The company's common stock now consists of 147,887 no par value preference shares and 318,089 no par value common shares.

Metal Prices

New York—March 13—

Copper: Electrolytic spot and future, 8c.

Silver: 46¾c.

London—March 13—

(Long Ton)—

Copper: Electrolytic spot, £36; future, £36 10s.

Standard spot, £33 2s 6d; future, £33 5s.

Tin: Spot, £236; future, £234 7s 6d.

Lead: Spot, £11 15s; future, £12.

Zinc: Spot, £14 15s; future, £15 2s 6d.

Silver: 20⅝d. per ounce.

Gold: 136s 2½d.

Canada—March 13—

Gold: $34.72.

Canada's Banks May Face Loss Of Call Market

Passage of the Fletcher-Rayburn bill for the regulation of stock exchanges in the United States, in its original form would bar Canadian banks from making call loans in New York and might result in the closing of the New York agencies maintained by five Canadian chartered banks, the Dominion Bank, Canadian Bank of Commerce, Bank of Montreal, Royal Bank and Bank of Nova Scotia. Canadian bankers do not believe that the bill, in its original drastic form, will be presented to congress and await with intense interest the changes that are being made in the bill by the Senate banking committee. Representations are understood to have been made by Ottawa to Washington with a view to permitting Canadian banks to continue their call loan business subject to some measure of control.

As far as the Canadian banks are concerned, the teeth in the original draft presented to the United States Senate by Senator Fletcher lies in the restriction that no member of a stock exchange in the United States and no person who transacts a business in securities, directly or indirectly, through such a member can borrow on any security registered on any national securities exchange except from a member bank of the Federal Reserve System. The Canadian banks are not members of the Federal Reserve System and are, therefore, barred from making loans on call, a type of business which has been one of the major functions of their New York agencies. Canadian corporations that in the past have taken advantage of high rates prevailing on call loans in New York will also be barred, together with American corporations.

Call loans are desirable because they are well secured by marketable securities, carry a good rate of interest and can be immediately liquidated. If reserves can no longer be invested in this manner it may lead Canadian banks to keep reserves against foreign liabilities in London rather than in New York. The business in exchange done by the New York agencies of the Canadian banks will then remain the chief business of these agencies and the profit on exchange operations may not warrant the costs of keeping the agencies open.

MINNESOTA & ONT. RECEIVERS REPORT

Lower Newsprint Prices Reduce Income — Contracts Renewed

Minnesota & Ontario Paper Co. and subsidiaries had an operating loss of $814,632 in 1933 which was reduced to $644,789 due to revenue from other sources. After providing for interest paid, interest accrued and not paid, and depreciation there was a loss of $3,858,855. Other items, chiefly a loss of $1,242,062 on sale of stock of a subsidiary, increased loss for the year to $5,381,614.

Lower prices for newsprint reduced the company's revenue from newsprint sales, but all contracts expiring at the end of 1933 were renewed and new contracts were secured that will assist in reducing manufacturing costs. In the Kraft paper division the volume of sales is double that of 1932 while prices are 20 per cent higher. Sales of lumber increased by 36 per cent, but the net return was less. The receivers recommend that the receivership be continued. They devote some 19 pages in their report to a defense against charges made by E. W. Backus in his petition for the removal of the receivers.

Total current assets are down to $7,272,110 from $8,469,403, while current liabilities are up to $2,655,867 from $2,631,164. Cash and certificates on deposit total $1,613,185 as compared with $1,009,468 in 1932, while inventories have been reduced to $4,194,564 from $5,484,698 and accounts receivable are down to $970,361 from $1,291,258.

REORGANIZING ONLY WAY OUT FOR DAIRY CORP.

(Continued from page 1)

tended to reduce the annual fixed charges very materially and, if so, this may prove beneficial to the shareholders of Mount Royal Dairies and, therefore, to Dairy Corp. of Canada which holds control.

Winnipeg Agreement Expected

In the case of City Dairy, Ltd., Winnipeg Dairy Corp. owns 16,236 no par value common shares, 142 7 per cent participating preferred shares and 60.8 per cent cumulative preferred shares. An action was recently taken on behalf of the shareholders in Winnipeg by a local lawyer in order to upset the reorganization of City Dairy made in 1930. At that time the capital structure was changed and gave Dairy Corp. sufficient common shares to out-vote the preference shares if these preference shares assumed the right to vote owing to dividends being in arrears. Directors of both Dairy Corp. and City Dairy assert that no such idea was in their minds and it is understood that the present action is being withdrawn and another reorganization, approved of by directors and solicitors concerned is about to be consummated. The company's bond interest was not paid on April 1, principally on account of the litigation pending. It is expected that this bond interest will be resumed though the bondholders may be asked to waive the sinking fund for the next two or three years if the present plan goes through.

Untangling Canada Dairies

The problem of Dairy Corporation with respect to Canada Dairies in Toronto results from the original purchase from the directors of the former Canada Dairies. In purchasing the company, Dairy Corp. gave $350,000 of its preferred stock in part payment of the original purchase price. These shares, it is understood, were deposited with a Toronto bank which had a claim against the former directors and it is understood that all the various parties to this somewhat complicated operation are trying to come to an agreement. If any of these three arrangements are not definitely settled before March 27, it is understood that the shareholders meeting will have to be postponed again.

Montreal Company Does Better

In answer to questions by shareholders, Mr. Caulder gave it as his opinion that proposals now being made in Montreal would improve conditions materially both for the subsidiary and for the holding company. The waiving of the sinking fund for five years and other arrangements are expected to make a substantial saving in overhead. Fixed charges will be reduced materially.

Asked further about the Montreal company, Mr. Caulder stated that in 1933 bond interest was earned and $5,000 for depreciation. If the full amount of $60,000 was charged for depreciation, then the company could be considered to have failed by $55,000 to earn bond interest. In 1931, he stated, the Montreal company had had $106,000 net profits after bond interest and depreciation. In 1932 the company would have been $45,000 short but there is the advantage at present that expenses are below the old figures and the company has a fair chance to earn bond interest after depreciation in full. It has been made much more difficult since 1931 to earn a profit because of the 6 per cent ice cream tax, which in itself amounted to $40,000 and really created a deficit. That was not a tax which could be passed on to the consumer.

Voting control of the holding company will remain in the hands of the debenture holders until Dairy Corp. is able to sell $500,000 debentures and clean up its financial structure as originally designed. Control will then go to the people who put up the new money. It is stated that there is a strong likelihood of money being made available on a plan which will still keep the company entirely Canadian in management and ownership.

Assets Are $1,814,043

Dairy Corp's balance sheet as of January 1, 1934, shows total assets under the new proposals of $1,814,043, made up of current assets of $22,970 and investments in controlled companies (at cost or as valued by directors) of $1,709,119, $50,000 for 5,000 common shares of United Dairies, which company is not controlled, and $27,000 for 27,000 common shares of Woodland Dairies, which also is not controlled.

Against this, as already intimated, the bank loan of $398,850 is the big liability. There is a special contingent reserve of $333,409, which has to be provided for. Note to the balance sheet states that there is a contingent liability of $60,000 because of the company's guarantee of Purity Ice Cream Ltd. bonds. The balance sheet is after giving effect to the proposed reorganization. It would show a surplus of $48,655.

TRADE COMPETITION MUST BE CONTROLLED IS OTTAWA VIEW

(Continued from page 1)

as opposed to the N.R.A. system for Canada and that the Board of Commerce that was set up during the war was declared unconstitutional are objections that receive only an airy dismissal from interested parties at Ottawa.

Objections are Answered

To the first objection it is replied that Mr. Bennett is getting ready to retire from the prime ministership and Mr. Stevens is getting ready to succeed him and Mr. Stevens has no intention of being bound by all of the principles enunciated by the prime minister.

To the second objection there is an inclination to respond that if Canada's antiquated constitution forbids the establishment of Federal control over commercial matters that are considered to be within the jurisdiction of the provinces only, then the constitution will be gotten around either by amendment or by compelling, through publicity, enabling legislation from the provinces.

Incidentally, while discussion of codes is active, there is a disposition to shun that word. The fact that N.R.A. codes in the U.S.A. are now running into all sorts of practical difficulties, is proving embarrassing.

Hit at Quantity Discount

3. It is hoped to find a formula for legislation to put a definite restriction upon the use of quantity discounts. The purpose would be to narrow the margin between what the small retailer pays and what the large buyer pays. It is admitted that this idea is still most nebulous and no one yet has the slightest idea what form the legislation could take or how far it could go.

Behind the proposal is the thought that semi-monopolistic merchandising is a social evil as well as an economic threat.

4. Definite legal authority is to be given to price maintenance schemes not only by individual manufacturers but by groups of manufacturers. The model is to be the Proprietary Articles Trade Association of Great Britain. The P.A.T.A. was declared illegal when it was started in Canada in the drug trade a few years ago. Ottawa intends to find a way to make the P.A.T.A. legal. This would, it is felt, effectively put an end to loss leader merchandising of nationally advertised or patent articles.

Publicity as Weapon

5. It is felt that the minimum wage laws of the provinces are the effective instruments to be wielded against sweat-shop labor and the particular type of buying competition that either results from it or is the cause of it. There is some doubt as to which is the hen and which the egg. Realizing that Ottawa is incompetent to establish minimum wage laws it is proposed to give the widest publicity to faults in the administration of existing minimum wages laws hoping that the public can be moved by pitiful stories of meagre wages, to force the hands of the provincial cabinets in strengthening both the laws themselves and their enforcement. And of course business codes would cover wage rates and hours of labor.

The fundamental theory behind the legislation outlined above would be that the world has passed through the period of unrestricted competition; that a period has been reached when a planned economy must be invoked in order to solidify the social structure of the state. Lurking in the minds of some of the key committeemen also is the idea that our economy in Canada has moved too much in the direction of the monopolistic or semi-monopolistic development of large-scale industrial and merchandising units with consequent anti-social results to community life in general. It would be hoped that this tendency could definitely be checked by taxation and strict legislative restriction.

Trends Versus Practices

It is already becoming apparent to members of the committee that a real dilemma faces them. It is the problem of determining where the influence of present day social and economic trends as an influence in bringing about the conditions they are investigating end and where plain ordinary unfair practices and dishonesty begin.

It is recalled that President Hoover appointed two committees, one on Recent Economic Trends and one on Recent Social Trends. Their reports, when published, were comprehensive and eminently fair presentations of present day trends, and were written after a most intensive exploration of all angles of the problems of industry, merchandising, and community life in general. Most of the subjects that are being looked into by the Stevens Committee were throughly explored by the two committees appointed by President Hoover and the evidence is available in printed volumes which have had a wide sale.

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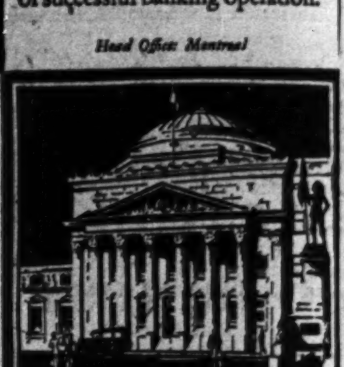

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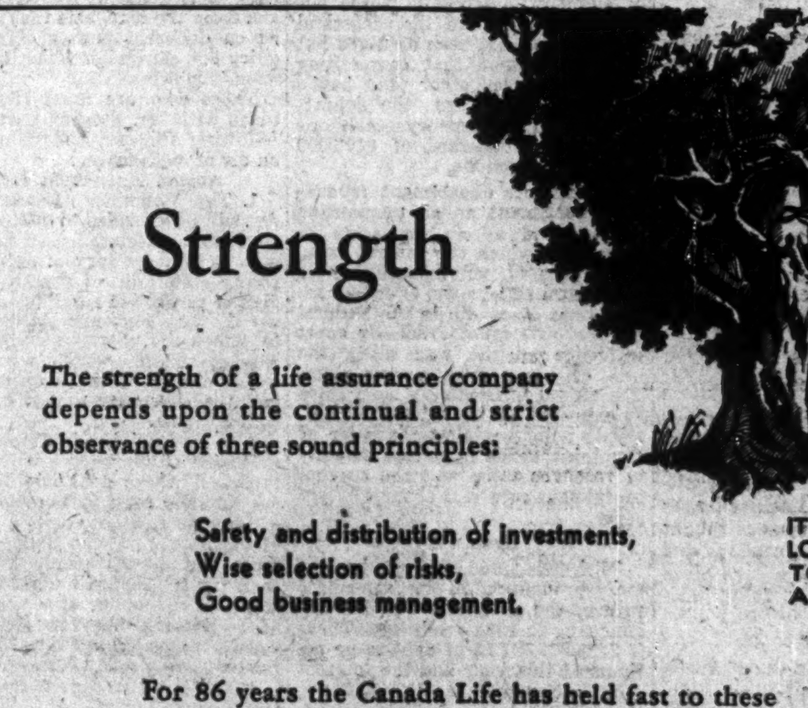

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Canada's Back-to-Land Scheme Has Settled 107,252 on the Soil

Since 1930, 94,092 Returned to Land Unassisted; Relief Settlement Started in 1932

By GRANT DEXTER

Canada has been carrying on a Back-to-the-land movement under the aegis of Hon. Wesley Gordon, Minister of Immigration and Colonization, since 1930. Up to Dec. 31, 1933, records show that 107,252 persons were placed on the land through one or another of the schemes for settlements. Of these, 94,092 settlers required no financial assistance. While these figures make no allowance for a reverse flow of population, from the land to the city, they indicate how far the various governments have been successful in efforts to effect a land settlement.

The inception of the Back-to-the-Land movement dates from October, 1930, when Hon. Wesley Gordon made a firsthand survey of unemployment conditions in all the provinces. He hit upon the plan of transferring unemployed city people with farm experience to rural areas before their savings were exhausted.

He believed that there must be thousands of people out of work in cities who had not yet gone on direct relief and who still had a few hundred dollars of savings. If such people possessed agricultural experience they might eagerly desire to return to the land yet be unable to do so on their own initiative. To leave them in the cities would mean that their savings would quickly become exhausted and they would become public charges. He returned to Ottawa and talked the situation over with his colonization experts. Most experience was rather against the idea. The record of land settlement is one of government assistance and, whether in the forms of loans or not, in large part non-recoverable.

Obtaining Land

But the plan could be reduced to very simple terms. Granted there were men willing to return to the land, it only remained to gather together a powerful national land selling organization to provide good farm properties at low prices and to guide individual purchasers to farms best suited to their experience.

There was one large land owning organization under his hand—the Land Settlement Branch of the Immigration and Colonization department. This branch owned thousands of good farms which had reverted to it from unsuccessful soldier settlers and British families brought out under the Three Thousand Family scheme. Two other and larger land owning organizations were available in the land departments of the Canadian Pacific and Canadian National Railways. Moreover, all three had nation-wide organizations and the Land Settlement branch, in particular, was equipped with field forces which could keep in constant touch with new settlers after they had been launched on the land.

Mr. Gordon, considering all these points, decided to go ahead. He instructed his colonization officials to discuss the matter with the railways and see what could be done. Both were attracted and the central back-to-the-land organization rapidly took form. It has been the most constructive agency in meeting the problem of unemployment that this country has known.

Results of Scheme

Once a central organization was in being, the machinery was set in motion. Through various channels the government made it widely known that facilities to assist unemployed with capital in returning to the land were available. The response was immediate and from Oct. 1, 1930, to Dec. 31, last, 94,092 persons were placed upon the land without the investment of one dollar of public funds. In each case the settlers were found suitable land at a price within their means and were offered terms of purchase which held out to them every opportunity of future independence.

The settlement by provinces has been as follows:

	Families	Single men
British Columbia	812	282
Alberta	4,069	8,397
Saskatchewan	3,031	3,099
Manitoba	1,252	5,048
Ontario	1,438	9,039
Quebec	2,173	1,801
Maritimes	273	1,186
	13,048	28,852

The 13,048 families comprise 65,240 persons.

This movement has not yet ceased, although greater numbers were available in the early months and understandably so, than there are today.

Assistance Plan Started

But in the spring of 1932, due to the phenomenal success of the self-help policy, it was decided to broaden its scope to include persons without capital. The argument here was equally simple. It costs about $500 per year to maintain a man and his wife and four children on direct relief for one year. This cost is usually borne one-third each by the Dominion, the provincial and the municipal governments. By capitalizing a little more than one year's relief payments, it would be possible to place a family, completely lacking in capital, on the land. Different factors must be considered. The provinces and the municipalities must enter the scheme and the holdings must tend to be smaller and less costly. While privately-owned property would still be suitable, the vast quantities of Crown lands (which the provinces either give away or sell for a dollar or two per acre) could be availed of. The second stage of the policy, in fact, became more of a pioneer movement.

Rules Laid Down

Certain rules were laid down. Each settler was to receive $600—or a little more than one years' direct relief.

Of this total not more than $500 is expended the first year. The other $100 is kept in reserve to cover the cost of assistance in the second year, if needed. No part of the $600 can be used for the purchase of land nor is any of it applied to the cost of administering the policy.

This $600 is divided evenly between the three governments—Dominion, provincial and municipal. So far as the Dominion is concerned, it is an outright gift to the settler. The Dominion, in making the gift, expressly declares, by order-in-council, that the money is not recoverable. As between the provinces and the municipalities different policies are followed. In some cases the settler is expected to repay, in others he is not.

The total assistance of $600 is likely to be increased this year to $700. This will leave a reserve of $100 for the third year of settlement, in case the settler still requires groceries or clothing.

More Complete

The administration of the unemployed settlement is a little more complex than the earlier policy required. Committees were created in each province composed of representatives of the Dominion, the province and the two railways. The municipal authorities set up an examining committee.

The unemployed are not canvassed nor encouraged to leave the cities. The reason for this is obvious. Neither Dominion or provincial governments desire to expose themselves to the charge that unemployed are being compelled to face the rigors of the farm. But the terms of the policy are made known and those in receipt of direct relief are informed that settlement facilities will be provided if they so desire.

Any unemployed person can apply. His application goes to the municipal committee and is carefully examined. Past experience on the land is essential: so are references regarding character. The possessions of the family, including furniture, clothing, the health of all concerned, these are objects of enquiry.

Completing the Deal

If approved the application goes to the provincial committee which re-checks much of the information. Every effort is made to weed out likely failures. The policy is one of land settlement, not of unemployment relief. Although the temptation (as a measure of economy) to shift as many of these people as possible from the cities to the country is strong, all concerned have resisted it.

When a man is approved he is given the widest possible choice of farms. Here again no effort is made to sell him property belonging to the government and the railways. If property owned by private individuals seems most suitable, its purchase is negotiated. The price must be right and the terms such as to give the purchaser a real chance of success. In every case the agreement of sale stipulates that the purchaser will not pay either interest or principal for two years.

When the deal is completed, the family is moved to the farm, usually in the spring of the year. The $500 is now used to purchase livestock, poultry and equipment and to erect a cabin and barn if these are required. Groceries, clothing, etc., are also provided.

Under this policy all kinds of property are being purchased, but the bulk of it has been provincial Crown lands, priced at $1 per acre, or in several provinces, granted free.

Since the spring of 1932, when the policy was first put into operation, 2,489 families, totalling 13,160 persons, have been placed on the land. The figures are taken as at Dec. 31, last.

By provinces, the settlement of families has been:

	Families	Acreage
British Columbia	51	5,080
Alberta	348	56,853
Saskatchewan	500	81,564
Manitoba	424	63,579
Ontario	362	25,267
Quebec	546	54,600
Maritimes	258	16,974

Of the total of 13,160 persons, slightly more than 5,000 are Canadian born and another 4,500 are British born. In a word, nearly 10,000 of the total are either native born or drawn from the parent stock. Of the rest, the largest number are of United States origin and the balance is divided between a score or more of nationalities. It is notable, however, that the present back-to-the-land movement disproves the theory that Southern Europeans, the men in the sheepskin coats, are the most suitable settlers for Canada. With nearly two years experience to judge by, the failures are less than 5 per cent.

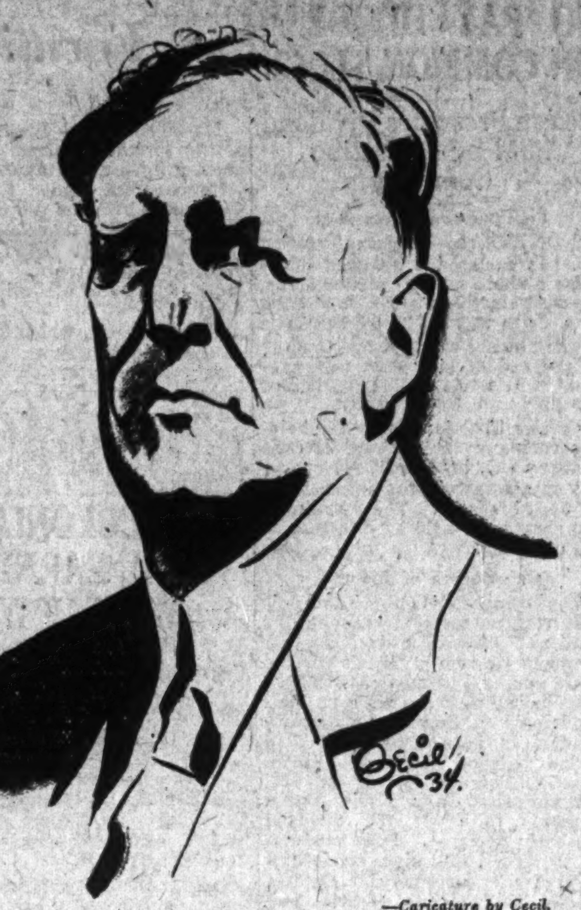
Saves Relief

There is one additional feature of the policy which commends it strongly to the various governments as well as to the taxpayers. The cost of maintaining a family on direct relief for one year is about $500. This means that if a family stays on the farm more than one year the various governments are money in pocket. Thereafter these governments are in pocket the sums which would have been spent on relief. The policy is already netting a saving of more than $1,000,000 per year.

While the fundamentals of the policy will remain unchanged, the movement will be greatly accelerated this spring.

This is the first of a series of articles describing the means that have been adopted to encourage land settlement by federal, provincial and municipal governments in Canada, and by governments in other countries.

He Puts People Back on the Land



—Caricature by Cecil.

HON. WESLEY GORDON

Minister of Immigration for the Dominion. While newspaper editors and publicists throughout the country have been clamoring for the Government to promote a vigorous "Back-to-the-Land" movement in Canada Mr. Gordon, quietly and practically, has been carrying on a very successful campaign of that character.

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By COL. LEONARD AYRES
Cleveland Trust Co., Cleveland.

For the first time in the long depression a new year has begun with general business activity at a higher level than it was at the beginning of the previous year, and with a greater volume of industrial production. The last time that this happened was five years ago in January of 1929. Public expenditures are responsible for much of the improvement. A considerable portion of the recent advances in wholesale and retail trade is due to the great farm bonus payments and to the wage disbursements of the emergency relief projects, while industry has felt the stimulus of the public works activity.

The chief purpose of the generous spending of public funds, in addition to giving relief to the unemployed, is that of priming the business pump. The object of pouring public funds into the mechanism is to cause a normal stream of private funds to start flowing through it. The next few months will demonstrate how successful the attempt will be. The people are watching the experiment attentively, hopefully, and with a good deal of confidence. They are well aware that this Congress in its emergency session last spring not only made lavish provision of public funds with which to do the priming, but also hurriedly made extensive novel alterations and repairs to the pump itself.

The people furnish the power that operates the business pump, and they are eagerly anxious to be back at their old job of doing it. So far their accomplishment has been limited because the repair job of last spring has not yet proved wholly successful. The business pump has two valves; one the new-investment valve, and the other the profit valve. The investment valve is almost closed, and seems to be stuck tight. A good many people claim that it is clogged by the Securities Act. That is a matter for the Congress to investigate thoroughly, promptly, and with no stubborn pride of craftsmanship, for the business pump will not function until that valve is free.

The profit valve is operating intermittently and is leaking badly. Our business pump was so designed as to provide it with wide freedom of action, but the adjustments of last spring greatly restricted its movements.

Business recovery can be continued in the long run only by the progressive substitution of a flow of private expenditures for that of public expenditures. If there exist obstacles preventing that substitution they have been unintentionally created by the Congress, and could be removed by it. Lavish public expenditure to create recovery that private enterprise could not sustain would be futile

NEW YORK LIFE
INSURANCE COMPANY
A MUTUAL COMPANY FOUNDED IN 1845
INCORPORATED UNDER THE LAWS OF THE STATE OF NEW YORK
89TH ANNUAL STATEMENT, DECEMBER 31, 1933

To the Policy-holders
and the Public:—

The service of a life insurance company is measured, largely, by its returns to policy-holders and beneficiaries. By this standard the New York Life accomplished more in 1933 than in any other year since it began business in 1845.

In this year of stress, in addition to making many policy loans, the Company paid the enormous sum of **$255,977,483** to policy-holders, beneficiaries, and annuitants.

It closed the year with Assets amounting to **$2,010,943,112,** the largest in its history, valued as prescribed by the National Convention of Insurance Commissioners. The Company's total Liabilities were **$1,896,651,321.**

Its surplus funds reserved for general contingencies amounted to **$114,291,791.**

In the interest of conservatism, the Company voluntarily set up in its liabilities two special contingency reserves as follows: **$21,014,507,** which is the difference between December 31, 1933 market quotations and the values carried in Assets of stocks, and of bonds in default, bonds of companies in receivership, and bonds which for any reason are not carried in Assets at amortized value; and **$7,500,000** for deferred mortgage interest collections, which are larger than normal due to the general economic situation.

The Company also set aside a reserve of **$48,038,244** for apportionment of dividends during 1934, a sum sufficient to provide the same regular annual dividend on each individual policy as was paid in 1933, except on term insurance policies.

Of special interest was the increased demand for annuities. Many men and women, desiring to secure a fixed income for life and relief from investment worries, placed their capital in annuities providing a guaranteed life income. The total so invested was **$20,662,386,** a larger amount than in any other single year.

The total insurance in force represented by **2,672,876** policies was **$6,869,268,269.** The total new paid for insurance was **$378,669,800.**

The following table shows the diversification of the Company's Assets as reported to the Insurance Department of the State of New York and valued as stated above:

		Per Cent
Cash on Hand or in Bank	$30,943,412.43	1.54
U. S. Government Bonds	98,164,386.21	4.88
State, County, Municipal Bonds	154,913,244.26	7.70
Public Utility Bonds . .	154,483,453.00	7.68
Industrial & Other Bonds	18,598,126.14	.93
Railroad Bonds	360,293,658.42	17.92
Canadian Bonds	39,957,188.69	1.99
Foreign Bonds	2,064,448.32	.10
Pfd & Guaranteed Stocks	67,923,705.64	3.38
Real Estate (*Including Home Office*)	72,477,359.29	3.60
First Mortgages, City Properties	495,297,998.40	24.63
First Mortgages, Farms	17,353,431.95	.86
Policy Loans	413,873,648.41	20.58
Interest & Rents Due & Accrued	41,269,429.08	2.05
Other Assets	43,329,621.78	2.16
TOTAL ASSETS	$2,010,943,112.02	100%

Further information about the Company will be furnished upon request to its Home Office at 51 Madison Avenue, New York, or to any of its Branch Offices throughout the United States and Canada.

Thomas A. Buckner
President

The Company has done business in Canada continuously since 1868. It maintains offices in Quebec, Montreal, Toronto, Winnipeg and Vancouver and is represented by its Agents throughout the Dominion. Investments in Canada, December 31, 1933 . . . . $61,515,220.45

HAVE A "SHOW DOWN" ON THESE DODGE FEATURES

SENSATIONAL DODGE "SHOW DOWN" PLAN TAKES GUESS-WORK OUT OF CAR BUYING . . . LETS THE BUYER COMPARE

INSIST ON HAVING ALL OF THESE DODGE FEATURES IN YOUR NEXT CAR

Car buyers all over Canada are using the Dodge "Show-Down" plan. It's the fair way to judge automobiles—lets the buyer compare new cars feature-by-feature, point-by-point.

There is no chance of going wrong . . . of not getting the car best suited to your needs . . . when you pick your new car on this "Show-Down" plan.

When you buy your car on the "Show-Down" plan you don't have to accept anybody's word for what Dodge can give you as against competitive cars.

You see everything . . . try everything . . . check everything—before you buy!

You see exactly how Dodge hydraulic brakes work. Why they're safer. More dependable.

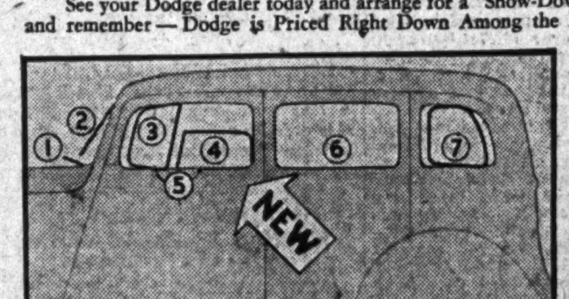
You see why Dodge all-steel body, reinforced with steel, is safer than wood . . . Why Dodge double-drop X-type box section frame keeps the car close to the ground. How you can take sharp curves with safety.

You convince yourself that "Floating Cushion" wheels smooth out the bumps in the road—do away with back-seat bouncing.

You learn for yourself that patented Floating Power engine mountings smother engine vibration.

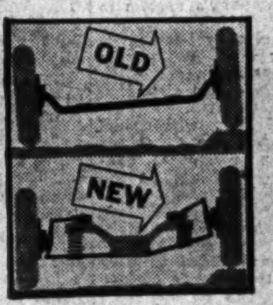
See your Dodge dealer today and arrange for a "Show-Down" demonstration—and remember—Dodge is Priced Right Down Among the Lowest-Priced Cars!

THIS NEW DODGE IS A BEAUTY! Canadians everywhere are thrilled by its modern design. They are amazed that this big 114-inch wheelbase car is priced right down among the lowest-priced cars. When you see the new Dodge look at the new 7-point ventilation that gives you any kind of ventilation you want. This new Dodge is bigger, faster, more rugged than ever. There are two models, one with 77 horsepower on 114-inch wheelbase, another with 82 horsepower on 117-inch wheelbase.

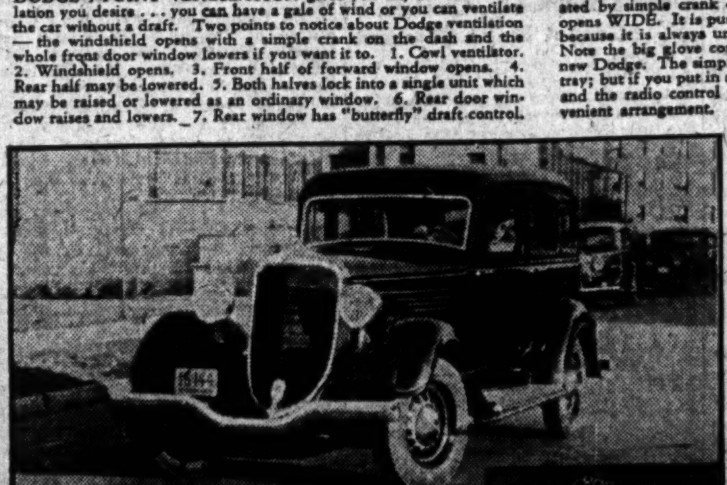


DODGE 7-POINT VENTILATION gives you any kind of ventilation you desire . . . you can have a gale of wind or you can ventilate the car without a draft. Two points to notice about Dodge ventilation—the windshield opens with a simple crank on the dash and the whole front door window lowers if you want it to. 1. Cowl ventilator. 2. Windshield opens. 3. Front half of forward window opens. 4. Rear half may be lowered. 5. Both halves lock into a single unit which may be raised or lowered as an ordinary window. 6. Rear door window raises and lowers. 7. Rear window has "butterfly" draft control.

NEW DODGE WINDSHIELD OPENER is operated by simple crank on the dash. The windshield opens WIDE. It is pushed out by a steel strip which, because it is always under tension, prevents rattling. Note the big glove compartment on the dash in this new Dodge. The simple panel in the centre is an ash tray; but if you put in a radio the ash tray is taken out and the radio control panel goes here. A new convenient arrangement.



DODGE "FLOATING CUSHION" WHEELS. A method of independent front wheel springing the same as used in many of the world's highest priced cars. The long, soft coil spring ends front end "bucking" and back-seat "bounce". Each front wheel takes its own bumps independently of the other and without transmitting the shock to the passengers. "Floating Cushion" wheels have enabled Dodge engineers to give you perfected, shockless cross-steering.


AVOID THIS!
Hydraulic Brakes are always equalized ... skidding and swerving

DODGE HYDRAULIC BRAKES stop on a dime. They are dependable in all kinds of weather. Dodge hydraulic brakes are always equalized. They do not need constant adjusting. They save you money. Constant equalization prevents swerving when you stop suddenly . . . you have CONTROL of your car at all times. This is a protection for you and your family.

DODGE ALL-STEEL BODY is a real modern Body for modern people. It's made of steel and reinforced with steel—electrically fused into one shock-resisting whole. Look at the test Dodge engineers are giving this car! Pitched over the cliff . . . rolling, bouncing, leaping into the air and finally landing right side up. The doors opened and closed—the engine ran and the car drove away under its own power. Steel is stronger, steel is safer, steel will last longer. Insist on an all steel body.

NEW
Bigger
DODGE

Utilities and Transportation

DUKE-PRICE POWER REVENUE FOR 1933 WELL MAINTAINED

Write Off $527,603 Account Bad Debts; Charges Are Well Covered

From Our Own Correspondent

MONTREAL.—Revenue of Duke-Price Power Co. was well maintained in 1933, while the working capital position showed an improvement, even after setting up a reserve of $527,603 for bad debts.

Gross income last year amounted to $4,266,982. This compares with $4,305,159 in 1932. There was some question as to the ability of the company to meet all its charges, owing to the fact that Price Bros. & Co., one of the company's largest customers, went into bankruptcy the early part of the year. Even allowing for the amount which is alleged to be owing under this contract, the company shows sufficient net income to take care of depreciation and bond interest, with a surplus of $202,786 carried forward into the profit and loss account balance.

Surplus Carried Forward

Particulars of the income account for the past two years follow:

	1933 $	1932 $	1931 $
Gross	4,266,982	4,305,159	4,275,283
*Expenses	507,788	597,273	630,441
Net earn.	3,759,193	3,707,885	3,644,841
Oth. inc.	29,233	43,550	42,363
Total inc.	3,788,427	3,751,435	3,687,204
Deprec.	671,030	659,406	656,798
Bond int.	2,160,633	2,181,152	2,195,820
Oth. int.	226,374	218,080	260,802
Reserves	§527,603	†100,916	......
Net prof.	202,786	591,879	573,783
*Transfer	45,965	......	......
‡Cap. prof.	106,511	127,655	......
Prev. bal.	2,390,627	1,944,092	1,370,308
Totals	2,745,890	2,663,627	1,944,092
Divid. pd.	......	273,000	......
P.&L. bal.	2,745,890	2,390,627	1,944,092
Per share earn.		2.81	2.73

* Including taxes. † For exchange and other contingencies. ‡ On bonds retired through sinking fund. § Reserve for bad debts. * From exchange reserve.

Working Capital Position

	1933 $	1932 $	1931 $
Curr. assets	2,144,216	1,995,448	1,126,716
Curr. liabs.	527,092	549,047	546,865
Work. cap.	1,617,124	1,446,396	579,851

Reduction in Debt

At the end of last year Duke-Price Power Co.'s balance sheet showed assets totalling $63,299,567, a slight decline from that reported at the end of 1932. During the year the company retired $804,000 worth of first mortgage bonds, leaving outstanding $35,791,000. At the end of 1933, there were issued $3,150,000 of notes or $350,000 less than a year ago. On the redemption of $654,000 of funded debt, the capital profit arising from the discount amounted to $106,511.

Among the assets cash on hand shows an improvement of about $130,000 at $1,130,548. Investments of the company show a decline from $107,648 to $53,416 at market value. Investments in subsidiary companies show a slight increase at $1,000,326, while the fixed assets have been written down by the extent of the depreciation charge to $58,316,276.

NEW FRANCHISE TRINIDAD UTILITY NOW SUGGESTED

This Plan May Follow Refusal by Company of Cash Offer

From Our Own Correspondent

MONTREAL.—Renewal of Trinidad Electric Co.'s franchise is a possible development, following upon the petition of eight councillors of the municipality of Port of Spain, to hold a meeting for the purpose of discussing this proposal.

A short time ago the council offered the company $2,000,000 in a lump sum for the property. This was rejected by the shareholders of Trinidad Electric on the ground that plant and railway were worth $3,000,000. Unless this offer was accepted, the company said, arbitration proceedings would be resorted to.

Franchise Expired in 1931

With the expiration of the company's franchise to operate an electric tramways system and an electric power system at Port of Spain in March, 1931, legal proceedings were taken and the decision was adverse to the company, which has been carrying on in the capacity of a trustee.

Under the terms of the franchise, the municipality could exercise the right to take over the property when the agreement expired. If the sum offered by the municipality was not acceptable to the company, the agreement provided for the setting up of an arbitration board.

Ottawa Valley Power Company

5½%

First Mortgage Bonds
due 1970

Principal and interest payable in Canadian and U. S. funds

●

This Company sells its power output under long-term contract to The Hydro-Electric Power Commission of Ontario

At market
to yield about 5.19%

NESBITT, THOMSON and Company Limited

355 St. James St. West, Montreal

Branches in all the principal cities of Canada

Canada Northern Power Establishes New Record On Last Year's Operations

Share Earnings of $1.12 With Depreciation Larger

SURPLUS IS HIGHER

Net Working Capital Shows Substantial Increase — Cash Resources Greater

From Our Own Correspondent

MONTREAL.—Progress in all branches of operations is reported by Canada Northern Power Corp., subsidiary of Power Corp of Canada, for the past year. According to the annual statement of the company, gross earnings showed an increase of seven per cent, net earnings eight per cent, power output seven per cent and customers served eight per cent, in comparison with the returns for 1932.

Due to expansion in mining operations in the territory served by the company demand for power increased from 441,150,290 kw.h. in 1932 to 474,553,410 kw.h. in 1933, an increase of 33,403,120 kw.h. There was an increase in the domestic requirements in the towns served and the number of customers increased during the year by 1,014 to 13,530.

Earn $1.12 a Share

Gross earnings of 1933 amounted to $3,690,284 compared with $3,456,772 for 1932. After deducting operating expenses, maintenance and taxes, net earnings totalled $2,590,812, an increase of $201,731 over the net for the preceding year. After payment of dividends on the preferred stock, earnings on the 400,000 shares of common stock outstanding were equal to $1.12 a share as against 90 cents a share on 375,000 shares outstanding in 1932. If allowance for depreciation had been made at the same rate as in 1932, earnings applicable to the common stock in 1933 would have been in excess of $1.30 a share—a new high mark for the company.

Particulars of the profit and loss income account for the past two years follow:

	1933 $	1931 $
Gross earnings	3,690,284	3,456,772
Less expenses	1,099,472	1,067,691
Net earnings	2,590,812	2,389,081
Less: Bad debts	4,282	4,141
Interest	934,561	960,189
Deprec.	720,000	600,000
Min. Int.	131	128
Balance	931,838	824,879
Less: Pfd. dvd.	472,960	472,960
Com. dvd.	356,196	311,241
Surplus	102,682	40,678
Brought forward	*1,375,174	*1,337,393
Carried forward	1,477,856	1,378,071

Strong Cash Position

At the end of last year, Canada Northern Power's consolidated balance sheet showed assets totalling $36,285,987. This compared with $35,335,104 at Dec. 31, 1932. A feature of the balance sheet is the marked improvement effected in the working capital position of the company. At the end of 1933 the company had an actual surplus of current assets over current liabilities of $966,417 as against a corresponding figure at the end of 1932 of $285,488. Cash and call loans totalled $878,377 as against only $52,352 in cash in 1932.

Current liabilities do not show material change at the end of 1933 as compared with the 1932 returns. Current accounts payable are larger roughly by $13,000, which is explained in part by the expansion of transmission facilities in Northern Quebec.

Minority interest in the subsidiary company remains unchanged. As regards Canada Northern Power, outstanding preferred stock shows no change, while the number of shares of common stock outstanding, increased by 25,000 shares to 400,000 shares during the year. This additional stock was offered to shareholders at $12 a share.

Anticipate Sinking Fund

A new item among the assets is bonds purchased in anticipation of sinking fund requirements. The amount credited to this item is $114,458. Inventories are slightly lower at $228,453, while deferred charges have increased by over $51,000 to $150,544.

Plant investment now stands on the books at $34,247,805 as against $34,195,845 at the end of 1932.

Secure New Contracts

In his remarks to the shareholders A. J. Nesbitt, president, had the following to say in part:

"Early in 1933, a contract was entered into for the supply of power to Beattie Gold Mines, Limited, in Quebec, and this property was connected with the company's system in May last.

"Reference has already been made to the following new customers: Arntfield Gold Mines in Quebec, Kirkland Gold Belt Mines and Canadian Kirkland Mines in Ontario.

Macassa Gold Mines, which had already been making use of power for shaft sinking purposes, constructed a 200-ton mill during the summer of 1933, which was placed in operation in October. The developments in the western end of the Kirkland Lake Camp, in which this property is situated, have added twenty-five per cent to the length of the producing area.

"In November, a contract was entered into whereby your company will supply power to the O'Brien Mining property in Cadillac Township, Quebec. This line, which is the centre of another heavily mineralized area, will be served by a new transmission line, the survey of which has been completed. This line is now under construction, and power will be available in Cadillac Township not later than June, 1934.

Buy From Hydro

"An agreement, which will reduce the necessity for future capital expenditures for the generation of power, has been entered into with the Ontario Hydro Commission, whereby future growth power requirements will be purchased on satisfactory terms from that commission for a period of at least ten years.

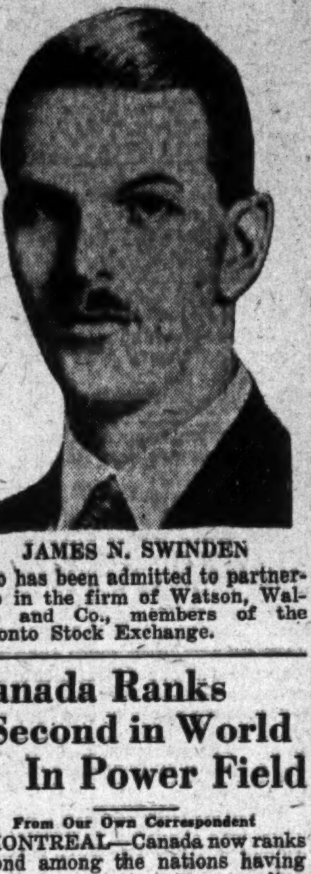
"During the year, your company retired $221,500 of its 5 per cent bonds through the operation of the sinking fund."

Public Utility Earnings

National Light & Power

December—	1933 $	1932 $
Gross revenue	44,280	45,153
Oper. expenses	23,646	24,673
Net revenue	20,634	20,480
January—	1934 $	1933 $
Gross revenue	46,529	43,509
Oper. expenses	23,868	21,971
Net revenue	22,661	21,537

Becomes Partner



JAMES N. SWINDEN

Who has been admitted to partnership in the firm of Watson, Wallace and Co., members of the Toronto Stock Exchange.

Canada Ranks Second in World In Power Field

From Our Own Correspondent

MONTREAL.—Canada now ranks second among the nations having installed water power, according to a survey completed by the American Committee of the World Power Conference. Out of a total installation of 39,257,000 kilowatts, the Dominion accounts for 5,256,000 kilowatts or 13.39 per cent of the total.

In the following tabulation of the installed water power by countries, the figures for the United States, Canada, Italy, France, Japan and Czechoslovakia are from official sources. Data for Norway and Sweden are from information presented at the sectional meeting of the World Power Conference last year in Scandinavia. The German figures were taken from a detailed report prepared by the German Water Power Association, while Russian figures were supplied by Co. Hugh L. Cooper, of New York, whose organization was responsible for the water power installations in Soviet Russia.

Countries	Installed Kilowatts	Per Cent of Total
United States	11,800,000	30.06
Canada	5,256,000	13.39
Italy	4,348,000	11.08
Japan	3,151,000	8.03
France	2,781,000	7.08
Germany	2,300,000	5.86
Switzerland	1,900,000	4.84
Norway	1,850,000	4.71
Sweden	1,400,000	3.57
Spain	875,000	2.23
U.S.S.R.	758,000	1.93
Austria	725,000	1.85
Brasil	525,000	1.34
Finland	300,000	0.76
India	300,000	0.76
Mexico	235,000	0.60
Great Britain	228,000	0.58
New Zealand	225,000	0.57
Jugoslavia	190,000	0.48
Czechoslovakia	110,000	0.28
Total	39,257,000	100.00

N. B. POWER BOARD REGISTERS DEFICIT DURING PAST YEAR

Aggregate Power Sales Were Greater, But Return Per Kw.h. Less

From Our Own Correspondent

MONTREAL.—New Brunswick Electric Power Commission reports a gross revenue in 1933 totalling $763,516 compared with $783,282 in the previous year.

The commission now operates 235 miles of high-voltage transmission lines and 695 miles of distributing lines in villages and rural districts throughout New Brunswick. Distribution of electricity is made direct to 5,213 customers, while power generated by the commission is distributed through other agencies to 17,395 customers.

Two New Divisions

Examination of the detailed report of revenue shows that the Minto-Chipman and Port Elgin systems showed an increase in income in 1933 over 1932. The Musquash, Northern, and Grand Lake systems had a lower income. Two new systems, or districts, were added during the year, namely, Upper Saint John Valley and Dalhousie. The revenue reported by these two new units amounted to approximately $9,800.

The income account for the 1933 fiscal year shows a total deficit on operations of $120,070, compared with $61,591 in the previous twelve months. This was after making provision for sinking fund, maintenance and renewal reserves and other charges directly applicable to operations.

In his report on operations for 1933, Hon. E. A. Reilly, chairman of the commission, had the following to say in part:

"For two years prior to August, 1933, there has been a constant falling off in the consumption of electricity with a consequent reduction in revenue. Beginning, however, with August, 1933, there has been an increase in the amount of power used as compared with corresponding periods of the previous year.

"The total amount of power generated during the year was 38,217,680 kw.h., as compared with 37,503,222 kw.h. for 1932. However, of the amount generated this year 2,080,400 kw.h. were sold as surplus seasonal power, and the actual number of kilowatt hours delivered to the various sub-stations for the consumption of regular customers was 31,159,750 kw.h., as compared with 32,301,741 kw.h. for the previous year.

"The necessity of refunding a $1,000,000 bond issue in U. S. funds, falling due in 1932, together with abnormal exchange conditions, has added $86,546.09 to the interest and discount charges for this year."

OTTAWA TRACTION TO PAY DIVIDEND ON COMMON STOCK

Action Presumes Dividend Paid by Operating Company

From Our Own Correspondent

MONTREAL.—Ottawa Traction Co. has declared a dividend of 50 cents a share on its common stock, the first since January 2, 1928 when $1 a share was paid. On the basis of the amount of stock outstanding at the end of last year, this payment will mean a distribution of $28,038.

Ottawa Traction Co. is the holding company for Ottawa Electric Railway Co., holding 35,047 shares out of a total outstanding amount of 35,197 shares. The remaining 150 shares are held by directors of the company.

One Source of Income

The company's only income is that received as dividends on the shares of Ottawa Electric. As that company paid no dividends for the years ending December 31, 1928 to 1933 inclusive, there were no dividends paid on the shares of Ottawa Traction in those years.

The balance sheet of Ottawa Traction, dated December 31, 1933, did not show any liquid assets available to cover the dividend presently declared. It is presumed, therefore, that since the beginning of the current year Ottawa Electric Railway has declared and paid a dividend on its capital stock. During 1933 the operating company earned $1.19 a share on its common stock.

SAG. ELECTRIC INCOME IN 1933 SHOWS DECLINE

Profit on Bonds Redeemed Lowers Income Account Deficit

From Our Own Correspondent

MONTREAL. — The Saguenay Electric Co., a subsidiary of Duke-Price Power Co., reports a gross income in 1933 on a somewhat lower basis than in the preceding year, while the net loss, after providing for all charges, amounted to $30,058 compared with $17,380 in 1932.

Operating revenues for 1932 amounted to $223,665. This compares with $247,523 in the previous year. Operating expenses show a slight increase, but this is offset by lower interest charges. On the other hand, a larger amount was writen off for depreciation, resulting in a larger net loss for the year.

Details of the profit and loss income account for the past two years, follow:

	1933 $	1932 $
Operating income	223,665	247,523
Expenses	131,797	129,762
Other income	1,077	400
Net revenue	92,945	118,161
Less: Interest	82,484	104,137
Deprec.	37,391	31,404
Bad debt res.	3,129	......
Loss for year	30,059	17,380
Brought forward	15,114	17,734
Profit on bonds red.	21,870	20,000
Carried forward	*23,302	*15,114

*Deficit.

Lower Funded Debt

At the end of last year Saguenay Electric's balance sheet showed assets totalling $3,590,623 as compared with $3,612,676 on December 31, 1932.

There is no change in the outstanding capital stock, while the first mortgage funded debt has been reduced from $1,326,000 to $1,292,000. Advances from the Duke-Price Power Co. show a minor increase at $791,351. Current liabilities show a moderate advance from $46,619 to $57,271.

Examination of the assets shows that no particular change took place during the year. Investment in and advances to subsidiary companies are up about $3,000 at $176,066. Accounts receivable have declined $7,400 to $71,420, while prepaid expenses have been reduced approximately $6,000 to $119,405. Plant and property account now stands on the books at $3,166,150, as against $3,184,570 at the end of 1932.

Montreal Power's Output Still Gaining

From Our Own Correspondent

MONTREAL.—From the beginning of 1934 to March 4, Montreal Light, Heat and Power Cons. reports a cumulative output of 186,590,280 kw.h. This represents an increase of about 11.25 per cent over 167,741,350 kw.h. produced in corresponding period of 1933. For the week ended March 4, production was 12.74 per cent greater than a year ago and was the twentieth consecutive weekly increase reported.

The company's gas production, which had been somewhat slow to follow the improved trend in power output, has finally begun to show a distinct improvement. January gas production was approximately 444,000,000 cubic feet, about 3.35 per cent below January, 1933, but in February production of 423,000,000 cubic feet showed an increase of 1.34 per cent over February, 1933.

Delisle Township, Quebec, Cannot Make Payment

Quebec Municipal Commission advises that the Township of Delisle, Que., cannot make any payment to its creditors at present. A statement of the township's affairs has been sent to creditors.

The taxpayers of the township are all farmers, and have been severely affected by depression, it is stated. Thus collection of taxes has been impossible in many cases, the commission reports.

Abitibi Power & Paper Company, Limited

TORONTO, ONT.

Owning and operating mills at

Beaupré, Que.
Sturgeon Falls, Ont.
Espanola, Ont.
Pine Falls, Man.
Sault Ste. Marie, Ont.
Iroquois Falls, Ont.
Smooth Rock Falls, Ont.
Fort William, Ont.

Daily Capacity 2,200 Tons Newsprint

Groundwood Pulp
News Sulphite Pulp
High Grade Bleached Sulphite Pulp

Montreal Stock Exchange Forming Bond Exchange

From Our Own Correspondent

MONTREAL. — Eight members acting for the Montreal Stock Exchange have made application for letters patent under the Quebec Companies Act for the creation of the "Montreal Bond Exchange Inc." for the purpose of dealing in "bonds, debentures, debenture stock, notes and other like instruments."

This proposal, which forms part of the Montreal Stock Exchange's plan for the extension of its services, has been under consideration for several months. At present the exchange has a few listed bonds in which there is a limited volume of trading. Through the medium of the Montreal Bond Exchange it is proposed to enlarge this department greatly and create a recognized market for the trading of securities other than stocks.

The application seeks for the new exchange the powers ordinarily granted to such an organization. In addition it is set forth that the capital stock of the Montreal Bond Exchange will be divided into 100 shares of no par value and the amount of capital stock with which the corporation will commence business will be $500. The issue and allotment of shares "may be made for such consideration as may be fixed by the board of directors."

INTERCOLONIAL COAL EARNINGS MOVE UPWARDS

Capacity Operations in Last Two Months of '33 Prove Helpful

From Our Own Correspondent

MONTREAL.—Intercolonial Coal Co. reports an income of $40,820 in 1933 compared with $33,782 in the previous year.

Output for the year was 105,955 tons as against 98,039 tons in 1932, an increase of 7,916 tons. Up to November the demand for coal was poor, but the strike and temporary closing of certain mines in the neighborhood, together with the severe weather enabled the company to work near capacity during November and December. Consequently the operating profit increased from $12,682 to $19,286 in 1933. Other income showed little change at $21,534.

Paid Smaller Dividend

During the past year the company reduced the dividend on the common stock from 1½ per cent to one per cent on the par value of the common stock of $100 a share. Particulars of the profit and loss income account for the past three years follow:

	1933 $	1932 $	1931 $
Oper. prof.	19,286	12,632	*4,998
Other inc.	21,534	21,150	21,150
Total inc.	40,820	33,782	16,151
Inc. tax.	4,388	3,353	1,140
Net prof.	36,432	30,428	15,011
Pfd. divid.	16,360	16,452	16,512
Balance	20,072	13,976	†1,501
Com. divid.	10,000	15,000	15,000
Surplus	10,072	†1,024	†16,501
Prev. surp.	406,310	406,609	423,286
P. & L. bal.	416,382	405,586	406,785

*Operating loss. †Deficit.

Working Capital Position

	1933 $	1932 $	1931 $
Curr. assets	593,353	544,392	529,477
Curr. liabs.	24,084	14,735	19,633
Work cap.	569,269	529,657	509,814

The balance sheet of Intercolonial Coal at the end of last year shows a strengthening of liquid resources. Assets totalled $1,812,950, compared with $1,806,801 at the end of 1932. Cash on hand, government bonds, and accounts receivable are all slightly higher than at the end of 1932, while inventories have been reduced from $50,246 to $32,468. The property account now stands on the books at $1,184,770 as against $1,208,551 in 1932.

Among liabilities, current accounts payable show an increase from $11,382 to $19,696. The amount of preferred stock outstanding has been reduced by $900 to $204,500. No change has taken place in the issued common stock which stands at $1,000,000. Other changes among liabilities are unimportant.

Nova Scotia Shows Deficit Of $1,618,883

A deficit of $1,618,883 for the fiscal year ended Sept. 30, 1933, was shown in the public accounts of Nova Scotia recently tabled in the legislature by Premier Angus L. Macdonald.

Comparative budget experience follows:

Nova Scotia Budgets
Years Ended Sept. 30

	Revenue $	Expenditure $	Deficit $
1933	7,226,911	8,441,852	1,214,941
1932	8,100,988	7,858,238	*142,750
1931	8,104,602	8,194,592	89,990

* Surplus.

Revenues in 1933 totalled $7,226,911 and expenditures $8,441,852 leaving a revenue deficit of $1,214,941 before charging sinking fund installments, serial retirements, including highway funds, totalling

Northwestern Power Co. Meeting Again Adjourned

From Our Own Correspondent

MONTREAL.—No action was taken by bondholders at the adjourned meeting of the Northwestern Power Co. held on March 5, the meeting again being adjourned to June 6 next.

The Bondholders' Protective Committee of Northwestern Power has been working in conjunction with similar committees for Manitoba Power and Winnipeg Electric in an endeavor to arrive at a satisfactory arrangement for the reorganization of the three companies as a single unit. From unofficial sources, it is learned that while a great deal of groundwork has been done, no particular plan has been evolved and that some time is likely to elapse before anything concrete is placed before the bondholders concerned.

MOIRS REBUILD POSITION UNDER NEW DIRECTION

Report for 1933 Reveals Many Changes Since Control Changed

From Our Own Correspondent

MONTREAL. — General overhauling and strengthening of the company's finances, following upon the reorganization of the company when the first mortgage bondholders secured control, are features of the 1933 financial statement of Moirs Ltd., Halifax manufacturers of chocolates and confectionery products.

The bondholders took over management of the company the latter part of April and on May 1 it was reported that the operating losses made in 1932 had extended into the early months of 1933. For the four months period ended April 30, 1933, there was an operating loss of $71,500.

Cut Overhead Expense

Following the change in management, drastic economies were put into effect with the result that overhead expenses were reduced at an annual rate of $325,000. The result of operations for the remaining eight months of the year was a small operating profit of approximately $13,000, which was nearly all absorbed by a write-down in inventory carried back into 1932.

Profit and loss account for the year showed a net loss in 1933, before depreciation on fixed assets, of $71,132.

Reduce Bank Loan

The principal improvement in the finances of the company last year was reduced in the bank loan to $198,000 compared with $365,000 at the end of 1932.

While no allowance was made in 1933 for depreciation of fixed assets, the value of plant was written down on the books to the extent of approximately $1,000,000, which had the effect of giving the common stock a book value of $1 per share, as against $100 per share at the end of 1932.

In commenting upon operations last year and the outlook for 1934, Frank Lewis, president, stated that one of the company's main troubles last year was the imposition of the sugar tax, which cost Moirs $35,000, very little of which they were able to get back through an increase in prices. The economy changes put in force have greatly reduced operating expenses, while the quality of the products manufactured by the company has been bettered. The close attention paid to manufacturing and merchandising problems is expected to result in a better showing for 1934.

City of Halifax
4½% Bonds

New Issue

The new issue of City of Halifax 4½% Bonds matures January 1st, 1959. Proceeds of these bonds will be used for sidewalks and sewers.

Principal and half-yearly interest are payable at The Royal Bank of Canada in Halifax, Saint John, Montreal, Toronto, Winnipeg or Vancouver, at the holders' option.

Price: 101 and interest, yielding 4.43%.

Descriptive circular gladly forwarded upon request.

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OUR WEEKLY LETTER

Contains an Analysis of
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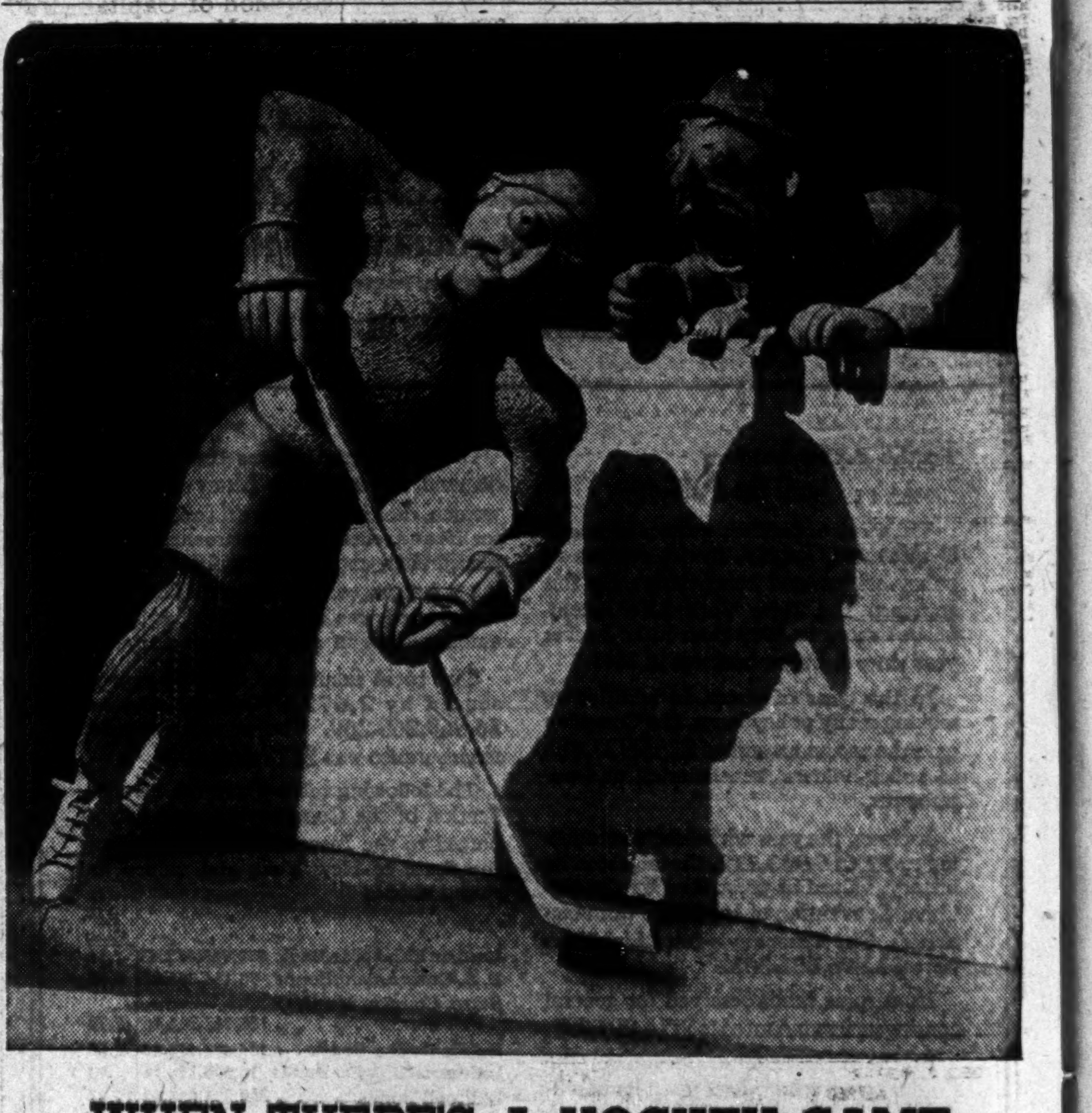

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News of Investment Markets

CANADIAN BONDS OF HIGHEST GRADE ON 4 P.C. BASIS

Ottawa Sells Issue at Cost of Only 4⅛ Per Cent

Canadian bond markets advanced in the week ended March 13. Gilt-edged issues touched new top levels for the post-war period. Western provincials advanced fractions to 1½ points. Corporation bonds continued firm, but selective, with some sharp advances in defaulted issues.

The rise of gilt-edged issues is illustrated by sale of $552,995 Ottawa 30-year serial debentures to cost the city only 4⅛ per cent. Ottawa's bonds are top-rankers among Canadian municipals, but it is felt that the Dominion could borrow for the long term at close to four per cent. Thus the gilt-edged market in Canada is virtually on a four per cent basis.

The decline in yields, as prices rose, is shown below:

Average Yield on Seven High-Grade Canadian Bonds

	%		%
March 13	4.117	Mar. 7	4.210
March 12	4.173	Mar. 6	4.213
March 10	4.203	Feb. 28	4.270
March 9	4.204	Feb. 15	4.367
March 8	4.211	Jan. 31	4.427

Another indication of the rising trend of the gilt-edged market is seen in sale of $100,000 Halifax 25-year 4½'s at 99.519, a cost basis of only 4.53 per cent. This is considered a highly favorable rate.

Corporation Issues

Among corporation issues, Abitibi 5's of 1953 featured, with a gain of 8¾ points to 43 bid. Other paper issues responded. Lake St. John 6½'s of 1947 were up six points on the bid side to 53. Defaulted Price Bros. bonds were 92½ bid, a better quotation than prior to the default.

Noteworthy gains were recorded by C.P.R. 4½'s of 1944, up three points at 90, and the convertible 6's gained the same amount to 110½ on improved earnings for 1933. Canada Steamship Lines 6's of 1941 were up six points to 29½, and Dominion Tar 6's of 1949 gained four to 87. Public utility issues were firm, with gains predominating.

Bond Sales

Ottawa

City of Ottawa has sold $552,995 of 4½ per cent, 30-year serial bonds to a syndicate comprised of A. E. Ames & Co., Royal Securities Corp., Harrison & Co., and McTaggart, Hannaford, Birks and Gordon at 102.53, a cost basis to the city of about 4.125 per cent. Bids were:

A. E. Ames & Co., and syndicate	102.53
J. L. Graham & Co., Gairdner & Co., Flemming, Denton & Co., C. H. Burgess & Co.	102.163
Bank of Nova Scotia	102.1568
Mead & Co.	102.08
Fry, Mills, Spence & Co.	102.08
Dominion Securities Corp.	102.079
Bank of Toronto	102.078
Bank of Montreal	102.00
Wood, Gundy & Co.	101.847
McLeod, Young, Weir & Co.	101.51
Bell, Gouinlock & Co.	100.78

Halifax

City of Halifax has sold $100,000 of 4½ per cent, 25-year bonds to Wood, Gundy & Co., and The Royal Bank of Canada at 99.519, a cost basis to the city of about 4.53 per cent. Bids were:

Wood, Gundy & Co., and Royal Bank	99.519
Johnston & Ward	99.515
W. C. Pitfield & Co.	99.28
A. E. Ames & Co.	99.172
Dom. Secs. and Bank of N. S.	99.079
Nova Scotia Bond	99.07
Maritime Life Ass.	98.75
Eastern Secs.	98.53
Hanson Bros.	98.52
McLeod, Young, Weir & Co.	98.41
Royal Securities Corp.	98.28

Bond Tenders

Mar. 31—Township of Cumberland, Ont.—$11,000, 5½ per cent debentures, due 1934 to 1943. R. J. Kennedy, clerk and treas., Cumberland. (See announcement on page 21).

Dosco Subsidiary Working at Capacity

From Our Own Correspondent

MONTREAL. — Co-operative effort of management and employees of James Pender & Co., wholly-owned subsidiary of Dominion Steel & Coal Corp., has resulted in plant operations being stepped up to six days a week, plus four nights weekly, with a staff increased by 25 per cent. Certain departments are operating on a 24-hour schedule.

The Pender plant at Saint John is now working on supplying a large nail order from Great Britain. In addition to nails, the plant is equipped to turn out galvanized iron and wire, as well as a wide variety of small hardware articles. The company was formerly a direct subsidiary of Dominion Steel Corp., but was acquired by Dosco through the reorganization plan in 1930.

London Diocese $1,500,000 Loan Expected Soon

Issue is expected on or about March 19 of $1,500,000, bonds of the Roman Catholic Diocese of London, Ont. The bonds will carry a five per cent coupon and will mature in 20 years, it is reported.

A. E. Ames & Co., Toronto, and Midland Securities Corp., London, have bought the issue at a price to cost the diocese 5.37 per cent, subject to legal approval, it is understood. This would indicate a purchase price of 95½. Final details are being checked, and this is believed to have delayed the issue. In the meantime the bond market has been rising steadily, thus improving prospects for rapid sale of the bonds.

CANADIAN LIGHT'S INCOME FOR 1933 HOLDS 1932 LEVEL

Small Surplus Shown After Paying Dividend on Common

From Our Own Correspondent

MONTREAL—Minor declines in demand for energy from domestic customers and for power by manufacturers, are reflected in the income statement for 1933 of Canadian Light and Power Co., subsidiary of United Securities, in turn jointly controlled by Shawinigan Water and Power Co. and Montreal Light, Heat and Power Consold.

Gross income from all sources totalled $400,849. This compares with $416,069 in the previous year. After making provision for all senior charges, including depreciation, and paying the usual dividend on the common stock, there was a surplus of $430, as against $294 in 1932.

Particulars of the income account for the past two years follow:

	1933 $	1932 $
Gross income	400,349	416,069
Less: Expenses	132,516	146,150
Bond interest	149,155	151,377
Depreciation	85,000	85,000
Net income	33,678	33,542
Less: Dividends	33,248	33,248
Balance	430	294
Brought forward	†15,919	16,129
Carried forward	*16,349	*16,423

*Subject to income tax.
†Adjusted.

Few Changes Noted

No material change is noted in the balance sheet which at the end of last December showed assets totalling $6,929,831 compared with $6,888,479 at the close of 1932.

MONT. COTTONS' PROFITS ADVANCE SHARPLY FOR 1933

Provision for Depreciation Totals $200,000—First Since 1927

From Our Own Correspondent

MONTREAL—Montreal Cottons Co.'s statement for 1933 reflects a notable improvement in earnings as compared with the returns for 1932.

Gross manufacturing profit amounted to $162,397 compared with a loss of $75,004 in the previous year. Including other income, the company had a total revenue last year of $245,965, compared with a loss of $14,327 in 1932.

For the first time in several years the income account shows a write-off for depreciation, amounting to $200,000. After making provision for this charge, bond interest, bad debt reserve, etc., there was a deficit for the year of $195,766. This compares with a deficit of $442,156 in 1932 when the company paid $180,000 in common dividends, but made no provision for depreciation.

Increase in Sales

Sales in 1933 amounted to $3,507,313, incldung $453,170 worth of grey cloth sold to Dominion Textile Co. and $178,532 of yarns sold to knitters and other concerns, compared with a total of $2,754,373 in 1932, which included only small grey cloth sales to Dominion Textile and practically no yarn sales. Increase in sales of finished goods, therefore, amounted to about $200,000.

Details of the income account follow:

	1933 $	1932 $
Net earnings	162,397	*75,004
Other income	83,568	60,677
Total income	245,965	*14,327
Less: Res. bad debts	8,316	13,844
Bond interest	23,418	23,985
Depreciation	200,000	......
Net profit	14,236	*52,156
Less: Pfd. dividends	210,000	210,000
Com. dividends	......	180,000
Deficit	195,766	442,156
Prev. surplus	230,451	383,724
Trans. from cont.	......	300,000
Less: S. F. account	......	11,117
Carried forward	34,687	230,451

*Loss.

Loans Slightly Higher

Montreal Cotton's balance sheet on December 31 last showed assets totalling $9,280,645 compared with $9,410,640 at the close of the previous year. Two changes of importance are noted among current liabilities—an increase in bank loans from $966,617 to $1,085,134 and an advance in deposit accounts from $228,071 to $316,513.

QUEBEC PULP'S STATUS HOLDS FOR PAST YEAR

Revision of Capital Structure May be Carried Out This Year

From Our Own Correspondent

MONTREAL—Earnings in 1933 of Quebec Pulp and Paper Corp., jointly controlled by Price Bros. and Co. and Consolidated Paper, were much the same as those in 1932, total revenue amounting to $40,396 compared with $42,472, and net loss, after writing off $11,790 to depletion, shown at $204,359 as against $192,256 in 1932.

This company's activities have been confined to the manufacture of groundwood pulp for which there has been limited market for some years.

Loss Written Back

In the following comparative income account it will be noted that the loss for 1933 was written back from contingency accounts, leaving the profit and loss deficit the same as at the end of 1932:

	1933 $	1932 $
Total rev.	40,396	42,472
Gen. exp.	23,911	25,650
Gross profit	16,485	16,822
Fixed & misc. chgs.	209,054	209,078
Deficit	192,569	192,256
Depletion	11,790	......
Net loss	204,359	192,256
Prev. deficit	2,959,008	1,093,201
	3,163,367	1,285,457
To cont. res.	......	199,299
Write-offs*	......	1,474,250
	3,163,367	2,950,008
From cont. res.	204,359	......
	2,959,008	2,959,008

*From mills, equipment and timber lands.

Working Capital

	1933 $	1932 $
Curr. assets	639,622	687,643
Curr. liabilities	493,855	339,750
Net	145,767	347,893

Assets at the end of 1933 were slightly lower at $7,794,077, compared with $7,861,758 in 1932. Property accounts represents $7,118,398; government bonds, $600,000; cash and receivables $39,622; and prepaid expenses, $15,516.

Shareholders' equity remains unchanged on the books at $7,040,992.

In his remarks to the shareholders, A. Stewart McNichols, president, had the following to say, in part:

"Owing to uncontrollable circumstances, your directors regret that they are unable to report progress toward achieving the contemplated revision of the company's financial structure to which reference was made in their report last year. Good hopes are entertained that some action toward this end may be made possible during the coming year, in which event full particulars would be made available to the preferred and common shareholders for their consideration."

George Weston, Limited

We have prepared a summary of the George Weston, Ltd. business. A copy will gladly be mailed on request.

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Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Sold	Sold to	Rate	Due	Amount	Price	Cost
St. Johns, P.Q., City of	Mar.	Locally	5%	10-yr.	$58,000	....	....
Ottawa, Ont.	Mar.	A. E. Ames & Co.	4½%	30-yr. ser.	552,995	102.53	4.125
Halifax, N.S.	Mar.	Wood, Gundy & Co.	4½%	1959	100,000	99.519	4.53
Provincial—							
Hydro-Elec. Power Comm.	Mar.	Chartered bank	4½%	5-yr.	3,000,000	100.00	....

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Bond Issues—	Date Issued	Offered by	Rate	Maturity	Amount	Price	Yield
L'OEuvre et Fabrique de la Paroisse de Sainte-Philomene de Rosemount, Montreal	Mar.	Credit-Français	5½%	1934-43	$345,000	100.00	5½%
Stock Issues—		**Offered by**	**Rate**	**Class**	**Amount**	**Price**	**Yield**
Longlac Lagoon Gold Mines	Mar. 14	Stewart, McNair & Co.	...	Treasury	300,000 shs.	25c.	....
Johnson-Nipigon Mines	Mar. 14	Stewart, McNair & Co., Williams, McLean & Bell, Frank S. Leslie & Co.	...	Treasury	250,000 shs.	30c.	....

Investment Notes

Significant Investors' Index Numbers
1926 = 100

	Iron and steel	Pulp and paper	Milling	Oils	Textiles and clothing	Food and allied products	Beverages	Total industrials	Total utilities	Total co's.
No. of Securities:	17	6	4	4	10	18	8	87	20	111
1929-33:*										
High	383.8	118.2	267.4	416.8	110.1	193.8	241.9	311.0	163.6	235.4
Low	36.8	1.4	34.9	78.3	24.0	66.5	27.3	44.0	30.5	38.6
Monthly Figures, 1934:										
January	98.1	11.4	74.9	147.0	66.6	122.6	163.6	118.6	53.5	88.8
February	114.6	13.6	77.1	153.7	73.3	128.2	148.5	123.8	58.0	88.7
Weekly Figures, 1934:										
Mar. 1	113.6	13.1	79.5	151.9	75.4	134.1	174.0	126.2	57.5	92.7
Mar. 8	114.2	13.8	78.6	151.1	76.1	134.7	173.4	129.1	57.5	93.6

*High and low of years from 1929 to 1933 inclusive are based on weekly figures. Compiled from figures issued by Dominion Bureau of Statistics. See also Stock Market Indicator in page one.

Goodyear Tire Increases Dividend

GOODYEAR Tire and Rubber Company of Canada, in paying $1.25 a share for the present quarter, is making an increase of 25 cents on its last payment on January 2, 1934. That last payment in itself was at the rate of $4 a share, an improvement on the actual amount of $3.05 a share paid in 1933 and the rate of $2.40 a share with which the year began. The new payment is at the rate of $5 a share though officials state that this does not necessarily mean that the annual basis of dividends will continue at $5 per annum. That, no doubt, will depend on sales experience of the company through 1934. So far, that experience is understood to be good. In any case, the position of the company was sufficiently improved in 1933 to justify the recent increases.

Cawthra Apartments Earnings

CAWTHRA Apartments has revised its capital structure, with approval of bondholders. Holders of the 7 per cent bonds, due 1946, are entitled to receive $50 in new bonds, $50 in new preferred stock and $7 in new five year notes in exchange. This gives bondholders control of the property. No dividends have been paid on the new non-cumulative preferred stock.

Interest on the new bonds was paid in 1933. After paying taxes and all operating expenses interest was earned, it is understood, with a very small margin.

Toronto Anglican Church Offers $15,000 of Bonds

Anglican Church of St. Timothy, North Toronto, is offering $15,000 of 6½ per cent, 5- and 10-year bonds, dated Nov. 1, 1932, at par. This is the balance of a total authorized issue of $35,000, and proceeds will be used to complete church buildings. Trustee for the issue is Chartered Trust and Executor Co., Toronto.

Although small religious issues are well-known in French-Canada, this form of financing is unusual in Ontario. The bond offering is made because of the frozen condition of the normal mortgage money market, it is understood. Officials have prepared a detailed financial statement going back to 1930, when the church was started. It shows revenues and investments steadily increasing over the period. After issue of full $35,000 of bonds, the statement shows the church will have an equity in its properties of $32,950.

Bond Redemptions

Bond Issues	Rate	Due	Redeem.	Price
Amer. Salesbook	†6%	1939	Apr. 1	103¼
Pac. Manifolding Book	6½%	1937	Apr. 1	103¼
Wabasso Cotton	*6%	1947	June 1	105

†$36,000. *$10,000.

HOTEL LONDON INITIAL REPORT SHOWS DEFICIT

Earnings Improving But Bond Interest in Arrears

London Realty Co., owning and operating Hotel London, has published its first earnings statement, which covers the year 1933 and shows earnings available for interest and depreciation of $76,981. Depreciation and bank interest amounted to $61,279, so that a deficit of $63,052 was recorded, after paying only part of bond interest.

The earnings position is better than indicated by the statement, the report states, because in the latter months of 1933 the losing trend of the early part of the year was reversed on a fairly substantial scale. It would appear that operating expenses, taxes, bond interest and a portion of depreciation will be earned in 1934, the report states. January operating profit was $5,730, compared with $2,435 in the 1933 month.

The income statement follows:

Income and Surplus Account Year Ended Dec. 31, 1933

	$
Operating income	241,568
Add: Other income	10,225
Total income	251,793
Less: Operating expenses	174,812
Net income	76,981
Less: Depreciation	61,094
Bond interest	78,754
Bank interest	185
Deficit for year	63,052
Less: Previous surplus	2,139
Deficit carried fwd.	60,913

King Edward Hotel Will Remain Open

The King Edward Hotel, Toronto, will continue in operation irrespective of the result of the foreclosure action being taken by the Metropolitan Life Insurance Co., according to a statement issued by the National Trust Co. acting as receiver and manager of the property under the mortgage securing the refunding bonds. The statement, which is issued with the concurrence of the Metropolitan Life, is definite denial of rumors that the hotel would be closed.

The Metropolitan Life holds a first mortgage on the real estate owned by the King Edward Hotel Co., while the refunding bonds are secured by a first mortgage on all furniture, equipment and goodwill and a second mortgage on the real estate. Negotiations are at present in progress with a view to reorganizing the company but reorganization has been held up due to legal difficulties which may soon be removed. Whether or not it will be possible to effect a reorganization the continued operation of the hotel will not be affected.

Alexander Building Will Pay on Income Bonds

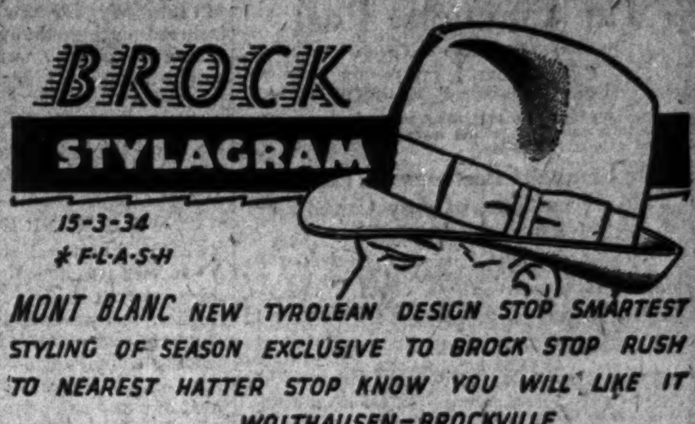
From Our Own Correspondent

MONTREAL.—Alexander Building Corp. has declared a payment of 1½ per cent on April 1 next, on account of interest on the 6½ per cent first mortgage cumulative income bonds. A similar payment was made by the corporation at the beginning of last October.

Holt, Renfrew and Co. Change Managing Director

From Our Own Correspondent

MONTREAL.—A. J. Walker, formerly of New York, has been named managing director of Holt, Renfrew and Co., following his election at the annual meeting of shareholders to the board of directors. He succeeds R. G. Liddy on the board and R. S. Coltart as managing director. Mr. Liddy remains as secretary-treasurer. Other directors and officers were returned to office.



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ADVERTISING RATES

Single Insertion—$3.65 per inch.
Debenture and Dividend Notices—26c. per agate line.
Contract rates upon request.

SUBSCRIPTION PRICE

Canada, United States, Mexico, British Empire, $5.00 per year; all other countries, $6.00.

Published by
THE MACLEAN PUBLISHING CO.
LIMITED
481 University Ave., Toronto 2

Chairman of the Board—JOHN BAYNE MACLEAN
President—HORACE T. HUNTER
Vice-President and Gen. Manager—H. VICTOR TYRRELL

MONTREAL, Southam Building, Murray R. Chipman, Eastern Manager; John E. Langdon, Eastern Editor.

GREAT BRITAIN, London, The MacLean Co. of Great Britain, Ltd., 2, 3 and 4 Cockspur St., London, S.W.1, E. J. Dodd, Director. Telegraphic Address, Atabek, Lesquare, London.

THE FINANCIAL POST BUSINESS YEAR BOOK. Yearly, $2.

THE FINANCIAL POST SURVEY OF CORPORATE SECURITIES. Yearly, $2.

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TORONTO, MARCH 17, 1934

REVOLT FROM MADNESS AT WASHINGTON

USUALLY well informed on what is going on behind the scenes in Washington, a leading news bureau reveals that there is in process a Revolt of Reason among the permanent experts and the more conservative politicians in the United States capital. These groups are quietly organizing their opposition to "the fantastic experiments that have been inaugurated by nervous theorists who believe that they can sit at desks and reform every practice and tradition of the economic order."

The aim of this revolt will be to unshackle business from some of the handcuffs that have been put upon it and to give a definite indication that the government is not out to kill the profit system, to strangle business and to penalize people who show a little initiative on their own account.

Some such revolt has been badly needed in Washington. The madness of the situation was well shown by the exchange regulation bill. The administration had a committee of permanent staff experts making an exhaustive study of exchange regulations. This committee had drawn up a workable form of control. A group of the young radical theorists around the president, some of whom are said to nurse personal grievances owing to losses in the stock market, none of whom it appears had any intermediate and thorough knowledge of the function of security markets, drew up a bill of their own. It was their bill that came out in the House and the Senate, that alarmed stock markets and caused a prompt reversal of the upward movement. Of course, sanity has prevailed and the bill is being drastically modified.

But so long as such things are permitted American recovery will be constantly menaced.

KIDDING OURSELVES ABOUT RELIEF EXPENDITURES

THROUGHOUT practically the whole of Canada, various governments, provincial and municipal, taking their lead from the Dominion, are borrowing to pay relief charges on the principle that this year's taxpayer should not be saddled with such an onerous burden as is represented by emergency relief expenditures. There are exceptions here and there but, in the main, spending the money now and leaving it for the taxpayers of the future to pay is the policy.

Some pointed comments on this policy were made in an open letter addressed by the Bureau of Municipal Research of Toronto to the citizens last week. The Bureau points out that, while it may be permissible to issue debentures to raise the money for relief expenditures, the money should not be treated as a capital investment but should be shown in the revenue-expense statement. Says the Bureau: "It is not sound to omit a current expenditure because money is borrowed through debentures or otherwise to meet it. The fact that other governmental authorities follow the same practice may make it more respectable but certainly not more worthy." The Bureau adds, "Unemployment relief expenditures may be capitalized but no use of magic words could make them capital expenditures."

The Bureau contends that Toronto's budget is not a balanced budget at all. It shows that if borrowing government bodies are to consider their budget balanced whenever they borrow on debentures to meet expenses, then there would be no unbalanced budgets except of governments that could not borrow.

The balanced budget which Ontario presented for last year and the balanced budget that Ottawa is talking about are both of the same character as Toronto's balanced budget, reached by purely arithmetical juggling.

The estimates of Toronto quoted three eminent financiers as approving the policy of extending financial relief to the present taxpayers and transference of a fair share of the burden of relief to future taxpayers. But the views of one of these financiers, Thomas Bradshaw, are on record, and they aren't quite the same thing. In August last, before the annual meeting of the Ontario Municipal Association, he urged that all municipal direct relief expenditures be treated as a current item to be met out of current revenue. He added that in some of the major cities, where unemployment has been very large, the whole burden of the year has been found almost too heavy for the ratepayers to provide during that year. In those cases, he thought that perhaps there was justification for borrowing through the issuance issue of short-term debentures running not more than five years for an amount not more than 25 per cent to 50 per cent of the city's net relief cost. This is quite a different thing from finding 100 per cent of relief expenditures, which is rapidly becoming current policy on the part of Canadian governments.

The present situation is that municipal governments are excusing their inability to reduce taxes on the ground that relief expenditures are so heavy whereas in reality the aggregate amount of relief expenditures that is being paid out of current revenues is very small, taking the country at large or almost any municipality or provincial government in particular. In five or six years, when the debentures that are being issued mature, the politicians will complain that they cannot reduce taxes because they have to pay for the direct relief expenses incurred during the great depression. The excuse is going to work overtime and it will be the taxpayers who will pay time-and-a-half for it.

The present system of financing relief is a fraud on the taxpayers of most of the cities, provinces and of the Dominion.

B. C. MUNICIPAL FINANCE

REPORT of the Harper Royal Commission, formed to investigate financial relationships between British Columbia and its municipalities, recommends that the province place grants to municipalities back on the 1929 basis pending a final settlement of the whole vexed question. It points out the need for establishment of a new and permanent financial relationship. The cause of the investigation was reduction or elimination of grants to municipalities in the economy measures introduced by the province since the depression started.

The province has indicated that it will take no action at the present legislative session to implement the report's recommendation and to restore municipal grants. So matters stand pretty well where they did before, except that the pleas of the municipalities have been strengthened by the finding in their favor.

The difficulty is that neither the province nor the municipalities have sufficient revenue to meet costs. The commission recognized the provincial difficulties and suggested that the income tax be raised for the higher brackets. The Dominion did this last year, and collections have been even lower than in the previous period. In fact in all the provinces and in most municipalities of Canada, the fact is becoming more and more evident that the capacity of the people to pay taxes has been exploited to the limit. The limit may increase as business improves, of course, but it will be some time before this factor can be counted upon for substantially increased revenues.

British Columbia cannot afford to make substantial grants. The municipalities say they cannot afford to do without them. And the taxpaying capacity of the people has been very nearly reached. There is only one answer. Both the municipalities and the province will have to economize even further.

THIS NEW ECONOMICS IS SO SIMPLE

SO MANY new ideas are being added to the formerly accepted doctrines of economics and business management that it seems a shame not to start a scrap book of them. A few of them should be preserved for posterity. Here we note just a few of them:

It is a sin against society to make a profit and it is equally a sin to sell at less than cost.

Wages are much too high but they should be raised to create purchasing power.

Governments ought to do more for the average man but they should also reduce their expenditures.

We can never return to the old gold standard but the sooner we find some secure anchor like gold to tie to the sooner we shall reach stability.

The basis of recovery must be an expansion of international trade but each country ought to mend its own fence corners and strive for a larger measure of economic self-sufficiency.

Thrift must be encouraged but all income except "earned" income should be taxed out of existence.

The surface of Canada's opportunities has hardly been scratched but we have vastly expanded our capital equipment.

Canada's home market and her standards of living must be adequately protected against foreign labor but the cost of living of those engaged in export trade must not be increased.

Setting these ideas down simply and concisely makes logical thinking on our problems so much easier.

IT IS ONE-THIRD

AT THE recent annual meeting of the Canadian Bank of Commerce, Sir John Aird, the president, declared that too much government, federal, provincial and municipal, was a contributing cause to high taxes. Taking all governmental bodies into consideration he says that there was one for 2,500 persons, maintained at a cost which absorbed about one-third of the national income.

In the opinion of the Municipal News, published in Vancouver, Sir John's statement is preposterous.

But Sir John's statement is not preposterous at all.

During the year 1933, the net value of production in Canada was $3,375,000,000. The nearest estimate that can be made of the total expenditures of governments in Canada show a figure of just over $1,000,000 per annum. The proportion then is approximately one in three just as Sir John Aird declared.

We can understand anyone being surprised to learn that the average man in Canada works one day in three to pay for the services that he gets from his different governments. But the greater his surprise, the greater his resentment should be and when enough people have learned what they are paying for luxurious governmental service a demand for economy will sweep the country.

OBSOLESCENCE AS A FACTOR IN RECOVERY

GIVEN a resumption of general confidence, a renewal of speculative investment and any degree of normal operation of the machinery of business, there will be no difficulty in finding plenty of work for now idle hands to do.

Take the automobile industry as a single example. Of the one million motor cars in Canada at least 800,000 are today eligible for replacement.

There are two factors at work constantly in business. One is depreciation and the other is obsolescence. Both of them have been at work during the depression building up for business an enormous deferred demand for all sorts of goods and services.

In modern business, obsolescence is a much more potent factor even than depreciation.

Depreciation is the rate at which an article wears out and loses its efficiency through material disintegration. The hats that men wear depreciate and they are thrown away when they are so faded or worn that they no longer afford the conveniences of personal protection and neat appearance.

Obsolescence is the rate of which things lose their utility through changes in style, or the advancement of new and better ideals or even of only new ideas. Obsolescence is the all important factor in women's hats. Probably less than one per cent of the hats that women wear are rejected finally because they have worn out in service. They are replaced by new hats because the style has been changed.

If we were to measure the opportunities in the business world simply by depreciation we might wonder where all the business is coming from to keep our factories, particularly those producing capital goods, busy. But when we consider the factor of obsolescence, we can sense latent but very powerful forces that will give to business a tremendous stimulus.

There are hundreds of research laboratories at work on this continent developing new goods and improving old goods. At a recent exposition of the chemical industries in New York, there were shown more than 112 new products that have been developed since the depression began and these were selected from 700 that were offered by 60 manufacturers.

The truth of the matter is that the public does not realize all the tempting products that have been developed during the depression. Purchasing of new products has been held back and this has created a vast reserve of purchasing power which requires merely a resumption of general confidence to be made effective.

PAINTING IT DARK

THE Western politician's dilemma is that he must paint the picture bad enough to get assistance from Ottawa and to raise the bogey of greedy financiers and yet bright enough to induce the same financiers to buy his province's bonds for resale to investors. What the average citizen of Western Canada thinks about this kind of mumbo-jumbo is probably as well expressed in the Edmonton Journal as anywhere. Says the Journal:

> "Alberta is going through difficult times and the truth regarding its position is bad enough without having exaggerated accounts of its troubles placed in circulation, which must adversely affect its credit quite unjustly."

EDITORIAL NOTES

"Human beings are the cause of war," says the Regina Leader-Post. And the raw material, too.

* * *

The fountain pen is celebrating its fiftieth anniversary. And it hasn't learned yet not to spill ink on our fingers.

* * *

Restoration of the Hapsburgs to the throne of Austria is forecast. Europe's pack runs all the way from Duces to Kings.

* * *

It is now being discussed in Europe whether or not it is worth while reconvening the World Economic Conference. This reminds us that London's brightest social season is approaching.

* * *

The Calgary Herald points out that Ontario spent $13,000,000 on unemployment relief last year and yet managed to balance its budget. Yes, by charging the entire $13,000,000 to the future.

* * *

Between 1932 and 1933 British exports to Russia declined by £5,939,000. In the same year British exports to Canada increased by £1,098,000. Canada is helping to make the Ottawa agreements a success from the United Kingdom's standpoint.

* * *

Col. Fred H. Deacon, the new president of the Canadian National Exhibition, is a business man, a farmer and a public-spirited citizen. Many people fit into all three pictures but not often with the same degree of success that has characterized Mr. Deacon's life in each. He would seem to be the ideal C. N. E. president.

Post-Scripts

THE story of how this continent at the present time is flooded with pictures of the Great War was told recently in Time. The inspiration apparently came from Gardner Cowles, Jr., son of the owner of the Des Moines Register and Tribune. It was he who when looking through a copy of The First World War by Lawrence Stallings got the inspiration that these would make good "copy" for their Sunday feature. H. P. Martin, Jr., syndicate manager for the paper, approved the idea and got rights from Simon and Schuster, publishers of the book for some 513 pictures.

Circulation soared upward with publication of the photos, and papers from all parts of the continent started clamoring for rights in their territories. Up until the end of last month, it was reported that the enterprising Des Moines paper had syndicated this feature to no less than 56 major newspapers in the United States and Canada. The pictures have proved the most effective daily newspaper circulation stunt in years. The publishers are reported to have made more on their syndicate royalties than on the total sale of the book.

VERNON MACKENZIE, a Canadian who has a teaching job in the school of journalism at the University of Washington or somewhere out there, once wrote a book intended to be a textbook on journalism. It cited notable newspaper stories and how they were written. Almost every one of them dealt with sex or crime.

The Vancouver Sun tells about a school of journalism in Vancouver and reports how various students started off stories that were given them to write. One story given the embryo journalists dealt with the supposed suicide of the paramour of a philandering husband. The other dealt with the sudden accession to wealth, via the sweepstakes route, of the typical poor but virtuous widow with 'umpteen children.

These schools of journalism apparently have a low idea of the average daily newspaper. They seem to think they are all yellow journals. When they see scores of feature writers, sometimes hundreds of them, assigned to cover sexy murder trials, when they see the train journeys of Garbo the Great and the desert meanderings of a Four Square evangelist given the big headlines in American papers they probably think it wise to teach would-be reporters to write about such sex-stirring events. And maybe that is what some of the papers want. But fortunately there are not many yellow journals in Canada. It is still possible, on the average Canadian daily newspaper—as it is on the New York Times, the New York Herald-Tribune or the London Times—for a reporter to be congratulated by his editor on his intelligent handling of a story about money, or the budget, or civic politics.

Sayings of the Week

"I am peacefully minded."—*Herr Hitler.*

* * *

"Not only do I believe bankers are human but I really think some bankers are honest."—*Hon. E. N. Rhodes, Minister of Finance.*

* * *

"The true lesson of our trials in this depression is that wars are not only cruel and wicked but disastrously destructive."—*Sir Joseph Flavelle.*

* * *

"The power to tax is the power to destroy. As taxation increases, this abstract phrase becomes alive."—*Merle Thorpe, editor, Nation's Business, Washington.*

* * *

"My children read Latin in the original when they seek entertainment and relaxation."—*Rev. Adolf Augustus Berle, Sr., New York father of four prodigies.*

* * *

"The New York Stock Exchange is like a modern 16-cylinder machine with an antediluvian brake."—*Dr. E. A. Goldenweiser, economist, U. S. Federal Reserve Board.*

* * *

"The difficult and dangerous situation into which the United States had got itself was due to the general attitude 'every man for himself; the devil take the hindmost'."—*President Roosevelt.*

* * *

"All through these years of depression the unemployed have drawn allowances exceeding in many cases the wages of unskilled labor before the war."—*J. A. Spender, British editor.*

* * *

"Under no currency system is it possible to pursue a policy determined solely by internal consideration without reference to the policies of other countries."—*Professor J. H. Jones, British Economist.*

* * *

"The grim word economics means merely and simply the science of housekeeping. The art of keeping our nation in good economic order involves no more abstruse principles than those invoked daily by every individual in keeping his own home affairs in order."—*James D. Mooney, president of the General Motors Export Corp.*

The World at Large

An Occasional Department Discussing World Economic Affairs That Affect Canada

By J. L. BURTON LEWIS

Austria Considers Return to Monarchy

SWEPT by many currents of political pressure brought by the great powers of Europe and torn by internal strife, Austria is giving something more than passing thought to the possibility of achieving peace and a measure of autonomy by returning to a monarchical form of rule with a Hapsburg on the throne.

Such a development may still appear unlikely, but the speed with which the pressure of events in Central Europe has turned the seemingly incredible into the actual many times in recent months, makes even a possibility of this character worthy of consideration.

It scarcely matters now that no country ever seemed less likely to return to monarchy than did the socialist Austrian republic, when it was established. Central Europe has demonstrated often enough that it is a region where anything can happen.

The Hofburg, once the palace of the Emperor, could again go through the process of transformation. It is now a public museum, with one wing turned into apartments. Its former treasures are scattered through state museums. It would have to undergo much change, and it would be part of a change so fundamental that all of Europe would be affected in some degree, if Archduke Otto should be brought from Belgium to become king of this Alpine nation.

* * *

MANY influential leaders in both France and Italy have long favored the restoration of Otto, not only as king of Austria but also of Hungary, as the most effective means of checking the Anschluss or union of Austria with Germany. They have never, however, advanced the plan seriously and if action upon it appeared probable, it is likely France would find it necessary to oppose the scheme. Her Little Entente alliance with the succession states of Czechoslovakia and Jugoslovakia presumably would compel such an attitude.

If Hungary could be persuaded to look with favor upon a new union with Austria, however, there is no apparent reason why Italy should not support the scheme. Her goal is to establish Italian hegemony from the Adriatic to the Danube. This she could do through economic influences if any stable and reasonably permanent form of government, which was capable of resisting the blandishments of the German Nazis, were established in the countries that comprised the old dual monarchy.

Of course Italy would prefer to extend her sway through the growth of Fascist strength in the countries affected, but she would not object to gaining the same end through the Hapsburgs, if the return of monarchy seemed necessary to curb the growth of Hitler's Third Reich. Mussolini also envisions Yugoslavia as a part of Italy's zone of influence, either through the re-establishment of the old Austro-Hungarian Empire or the direct spread of Fascism.

IN THE meantime it is far from clear that Austria, even though it has discarded the last semblance of republican rule, is yet ready to turn back to monarchy. Hungary has shown little readiness to re-enter the old union, except on a greatly changed basis, even though its friendliness with Italy is developing rapidly. And the succession states fear the implications of such a development so sincerely that they would certainly resist it wth their full strength.

Hungary still recalls the secondary place she occupied in the old Empire, under the rule of Francis Joseph. She would welcome the resumption of Hapsburg rule, if a satisfactory Hapsburg could be found who would become king of Hungary, establish his residence at Budapest, and would not attempt a fresh union with Austria. Such developments would be received with enthusiasm, so long as they did not stir strife along Hungary's borders and did not interfere with the territorial ambitions of the country. At this time, though, Hungary inclines to the belief that her dreams of regaining ground lost through the war are more likely to be realized through co-operation with Italy than through any monarchical adventures.

Should the plan to restore the Hapsburg dynasty in Austria be forwarded actively, one fantastic result would be to link Germany, France and the Little Entente as opponents of the programme.

* * *

ONLY if the meetings in progress this week at Rome between Mussolini, Chancellor Dollfuss of Austria and Premier Goemboes of Hungary fail to produce a satisfactory programme for the regrouping of countries in Central Europe is there any likelihood of a scheme to re-establish an Austrian monarchy being pushed forward at this time. If the three leaders can draft a co-ordinated programme, bringing economic relief to Austria and Hungary and adding to Italy's political strength, by any other expedient, they are almost certain to do so.

The legitimist movement, supporting the Hapsburgs, has not evidenced great strength in Austria, and such growth as it has shown recently has come as a by-product of resistance offered to Nazi advances. Much of the opposition to Hitler in Austria has been based upon his attitude toward the Catholic church in Germany, since Austria is almost completely Catholic. The church, to some extent, favors the return of the Hapsburgs, who always identified themselves with its work. Because of the aid the church gave in keeping Austria separate from Germany, concessions will be made to it in the new constitution—possibly even to the extent of allowing for return of monarchy.

Even while recognizing this influence and after making allowances for the sway Italy is capable of exerting, however, return of the Hapsburgs to Austria is yet scarcely more than a possibility.

In the Mail

University Co-operation

Editor, The Financial Post:

In your editorial, "Useful Education," in the issue of March 10, discussing the writing of theses by graduating students in Commerce, you make a suggestion which I wish most heartily to second—namely:

"The Financial Post believes that the work of these hundreds of students could be made of much more practical value. If corporations, banks, financial institutions, statistical bureaus, and other sources were consulted as to subjects on which information was needed, the universities might do a really useful work by putting students on such suggested topics."

Will you allow me through your columns most cordially to invite anyone interested to send suggested subjects of study to me. The writing of a full length thesis is one of the most valuable bits of training to which a student in Economics or Commerce can be exposed. It becomes even more so when the student feels that he is working on a subject of real importance. Any help given will be most gratefully received and carefully studied.

J. L. McDOUGALL.

Queen's University,
Kingston, Mar. 8, 1934.

As Others See Us

Reckless Spending

Orillia News-Letter.—According to The Financial Post, municipal defaults in Ontario are now approaching the $100,000,000 mark, or nearly 20 per cent of the entire funded debt of the municipalities of the province. Reckless spending resulted in excessive taxation that was beyond the capacity of the municipalities to collect.

All Have Public Ownership

Contact (House organ of Southern Canada Power Co.): The Financial Post of Toronto, in its issue of February 17th, stated that municipal defaults, in Ontario are now approaching the $100,000,000 mark, or nearly 20 per cent of the entire funded debt of the municipalities of the Province.

All these cities and towns have municipally-owned electric systems.

There is manifestly but one conclusion to be drawn, namely, that municipal ownership is not the panacea which its proponents would have us believe. If municipal ownership produced such wonderful returns—if in other words, it was a paying proposition, why should the cities, towns and villages mentioned above be hopelessly in debt—why could not the 'profits' be used to mitigate the tremendous public burden.

Other People's Views

Inflation in Full Bloom

St. Paul, Minn. Pioneer-Press (Ind.): —The President's budget message presents the inflationary programme of his administration in full bloom. It is in the vastness of expenditure for the recovery programme that the importance of the report lies.

It is an adventurous, courageous—some will say rash—policy. Ironically enough, the inflationists are having their way all the while they are talking around the point. The real essence of inflation is not tinkering with the currency, but the spending of money. Money borrowed on government credit does the trick just as effectively as money rolled off a printing press.

Youthful Radicalism

Ottawa Citizen.—David Astor, undergraduate son of Lady Astor, M.P., has joined the Brtish Labor party. He thus upholds one of the great modern traditions of the youthful sons of the English governing class—that of becoming radical the moment they are old enough to argue with their parents.

Cicero on the Depression

Nation's Business, Washington.—Again, we express humbly the thought that we get nowhere by pointing the finger of blame as to who is responsible for the depression. Politicians are quick to tell us that business is responsible, that it has failed in not keeping men at work and in producing too much of this, that and the other thing. But business might very well say, if it had time to take a belligerent attitude, that the politicians were in charge of the finances of the 2,000 cities that are now in default. Slowly and painfully the lesson comes home, that individuals, that corporations, that public bodies, all need to reread, and read again, the Ciceronian paradox, "Men do not realize how great a revenue thrift is."

Lessons From Depression

The Lethbridge Herald: We have sometimes wondered when we have seen millions of dollars of new wealth pouring into Southern Alberta every day for wheat, beets and other crops, whether some department of the government should not send out speakers who, instead of telling us ways to grow more, would give us lessons in the economics of safe and sane saving and investment. Of course, we know it's pretty hard to tell people to save when they are making larger incomes than they ever did before. At such times they get an inflated sense of their own ability as financiers, and readily fall prey to every promotion scheme that comes along. They tend to abandon, also, the careful financing which marks their operations in times such as these.

Southern Alberta has produced a tremendous amount of wealth in the 30 years since settlement began. It will produce even more abundantly in the future. If the present depression's lessons are carried with us into the better days to come, we should see much more careful investment of our surplus than in the get-rich-quick days of 1925 to 1930, and in the real estate booms earlier in the century.

Revival of Durable Goods

Railway Age: As the most pressing and important problem of recovery is the revival of business and employment in the durable goods industries, it is necessarily the most pressing and important problem of all business. There is only one solution of the problem. This is, to increase the profits of railroads and other business concerns and the incomes and confidence of individuals that desire to invest capital. The consumers' goods industries are now benefiting by the large government expenditures being made, but these expenditures are small as compared with the volume of business done under normal conditions by the durable goods industries. Furthermore, government spending on such a scale as at present could not long be continued without destroying the credit of the federal government.

Fewer and Better Bankers

Review of Reviews, New York.—Let us speak well of the individual banker in a western or southern community as friend, neighbor, deacon in the church. He is a good business man to run a small bank in prosperous times, when the merchants are doing a brisk business and the farmers are getting high prices for bountiful crops. But suppose bad times come, with the bank's resources spread out over the neighborhood largely in loans to farmers. And suppose something happens to frighten depositors. The bank has to lock its doors, and the slow process of liquidation of assets begins.

This could not have happened in Canada, simply because, other things being equal, there would have been no stampede of depositors. Everybody would have known that the bank was merely a branch. The central bank of the system would take full care of its local units if depositors suddenly wanted to make withdrawals.

"Stop Me If You Have Heard This One"

They were discussing dogs, and the tales were becoming "pretty tall" when one of the group took the lead.

"Smith," he said, "had a most intelligent retriever. One night Smith's house caught fire. All was instant confusion. Old Smith and wife flew for the children and bundled out with them in quick order.

"Alas, one of them had been left behind. But up jumped the dog, rushed into the house, and soon reappeared with the missing child. Every one was saved; but Rover dashed through the flames again.

"What did the dog want? No one knew. Presently the noble animal reappeared, scorched and burned with—what do you think?"

"Give it up," cried the eager listeners.

"With the fire insurance policy, wrapped in a damp towel, gentlemen."

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Business Conditions in Canada

The Week in Business

Pot Calls Kettle Black

IT HAS been the common cry among Canadians wishing to import goods from the United Kingdom that very scant attention is paid to their demands and that delay nearly always occurs over some small point. According to an article appearing in the current issue of the Commercial Intelligence Journal, however, it appears that we have not stopped to "remove the mote from our own eye." In effect, the article counsels Canadian producers to pay more attention to orders from United Kingdom sources as many complaints have been received by the Canadian trade commissioners in the United Kingdom over a failure in this regard.

Although the number of complaints have been increasing, it is not suggested that exporters on this side are getting slacker but merely that trade is increasing. However, the article states in part, as follows:

> "The majority of the complaints arise from failure to observe certain elementary rules. Inattention to correspondence is one of the most common grounds of criticism. All enquiries should be promptly and courteously acknowledged, and even if the firm approached is not interested, helpful suggestions as to alternative Canadian sources of supply are always welcomed. Co-operation of this nature creates a favorable impression, and tends in a direct way to develop Canadian trade."

* * *

Two-Bit Shoes

JAPANESE competition in the rubber goods industry has become extremely severe in recent years in many parts of the world but has not been generally felt in Canada. Recently, however, it came to the notice of the Rubber Association of Canada that a considerable quantity of rubber footwear had been imported into Canada via the United States, the value for duty purposes being placed at slightly less than 25 cents a pair. Investigation revealed the fact that these goods were described as "children's pull-on rubber boots" and that they were being offered to retailers at 35 cents a pair by the Montreal importers.

According to the trade, these articles cannot be presumed to have a value of 25 cents for duty purposes as that figure is out of all proportion to their production cost, even in Japan. The secretary of the Rubber Association told The Financial Post that he believed that the shoes were a part of a shipment from Japan to the United States on which the Federal authorities placed dump duties and special excise charges and that they had been held in bond there. They are now shipped to Canada as it is impossible to retail them in United States.

It is understood that the customs authorities have been advised of this shipment and that action will be taken to investigate the importer's valuation placed on the shipment.

* * *

Tariffs Hurt Many

AN INTERESTING survey of the capital invested in industries which benefit and those which lose through the operation of a very high tariff appears in the February issue of the Commerce Journal, published by the University of Toronto Commerce Club. Analysis made by D. C. MacGregor, lecturer in public finance, shows that in Canada industries having a capital investment of approximately $1,730 millions benefit directly from very high tariffs and industries with a capital investment of approximately $15,700 are direct losers.

Some of the important industries which are listed as ones which benefit are; textiles, iron and steel, part of the chemicals industry, central electric stations, mining and minerals. Chief groups which are direct losers are listed as follows; vegetable products, animal products, wood and paper, nonferrous metals, non-metallic minerals, agriculture and steam railways.

* * *

Costly Porridge and Bacon

RECENT increases in the British tariff on oats and higher prices resulting from application of the quota on bacon imports and action of the Pig Marketing Board in boosting the domestic price of pigs provokes the Economist, London, to remark in a recent issue that "at this rate breakfast in England will soon become a rare and costly luxury."

Extent of the rise in price of bacon, engineered by the Pig Marketing Board, is enormous, The Economist states, pointing out that the wholesale price of Danish bacon which stood at 51s per cwt. in November, 1932, had reached 96s by February, 1934; and retail prices have risen by 60 per cent in some cases since introduction of the quota. In comparison with 1931, Great Britain is now paying Denmark just about the same amount of money for half the amount of bacon.

In January, 1934, the British Government announced new duties on imported oats, equivalent to a tariff of 60 or 70 per cent. The result was a rise in the price of English oats in less than a month from 5s 3d to 6s a cwt. and of Argentine oats from 15s 3d to 19s per 320 pounds.

Annandale Court Position Reported Steadily Improving

Gross annual receipts of Annandale Court Apartments will amount to $27,096, if the property continues as well rented as at present, London and Western Trusts Co., trustee, advises. Interest on advances and on new first mortgage, taxes, and other expenses are estimated at not more than $18,500 this year. The position of the property is stated to have been "steadily improving."

A disbursement to bondholders will not be possible for some time, it is stated. Advances made by the trustee amounted to $15,391 at Dec. 31, 1933, less credit in rental account of $1,451.

PLAN FINAL DRAFT FURNITURE CODE LATER THIS MONTH

New Executive Appointed and Code Plan Adopted at Meeting

The preliminary fair trade code, included in a resolution passed by the Furniture Manufacturers' Association of Canada at their annual meeting on March 9, and submitted to Hon. H. H. Stevens, will be drafted in more permanent form at an executive meeting to be held later this month, The Financial Post learns. C. B. Fessenden, special furniture investigator for the Federal committee on price spreads and mass buying, is understood to be the moving spirit behind the code, as he was behind the voluntary agreement entered into in June, 1933, by the manufacturers of case goods. Mr. Fessenden, at that time, was investigating costs as an appointee of the Furniture Manufacturers' Association.

The Furniture Manufacturers' Association has a membership of 66 out of approximately 370 furniture manufacturers in the Dominion. The 66 members, however, represent considerably more than half Canadian production and include almost all the major producers. Sixty of the members have plants in Ontario and 6 in Quebec.

Complete Study Made

For the past year, the executive of the association has been engaged in investigation which it was hoped would eventually lead to some form of price control being instituted. The proposed code which was approved at the annual meeting contains, therefore, the result of an exhaustive survey of the industry.

It is understood that the final draft of the code for the industry will be along the lines set forth in the resolution sent to Mr. Stevens and that the question of jurisdiction will be left to the Government to decide. Modification of the Combines Investigation Act and changes in the British North America Act will obviously be necessary in order that the powers asked may be granted.

Suggested Code

Briefly, the suggested code, as contained in the resolution passed at the annual meeting, is as follows:

(a) All furniture producers become members of the association for purpose of self-government under the suggested legislation;

(b) That minimum scales of wages—both male and female—be established;

(c) That no manufacturer may sell furniture below cost, that cost to be defined under the code, except in special instances to obtain the sale or "clear-out" of old stock and then only under special methods provided in the code;

(d) That all furniture be graded and that it be an offense, subject to penalty, to infringe these grades;

(f) That all retailers display prominently the grade tag, failure in this to be an offense;

(g) That any infringement of the code by a manufacturer be considered an offense, punishable by fine, and that the association be the agent to bring offenders before the courts;

(h) That investigations of alleged infringements must be undertaken on complaint of employees or manufacturers, or may be undertaken by "properly appointed officials" at any time.

New Executive Appointed

J. H. Wyatt, of the Kroeler Furniture Co., Stratford, was elected chairman of the executive committee for 1934 at the annual meeting, J. J. Spiesz, Spiesz Furniture Co., Hanover, was elected vice-chairman and the following members to the executive: W. J. Anderson, Stratford Chair Co.; J. W. Bailey, Beaver Furniture, Kitchener; W. G. Hay, North American Bent Chair, Owen Sound; William Krug, Krug Bros. Co., Chesley; C. G. McLennan, Dominion Furniture Manufacturing Co., St. Terise, P.Q.; A. H. Smyth, Strathroy Furniture Co.; H. M. Snyder, Snyders Ltd., Waterloo.

Oshawa Bldgs. Do Better, May Pay Coupon in April

Oshawa Buildings Ltd., is doing better, The Financial Post is informed. A coupon will be paid in April, it is understood. Arrears of taxes on the properties are caught up, and the buildings are nearly fully rented, it is reported. Rentals are low, but are more than sufficient to cover operating charges at present.

Oshawa Buildings owns the Disney building and four apartment houses in Oshawa, Ont. Interest was not paid on Jan. 2, 1932, and the expected April payment would be for the first defaulted coupon. There is approximately $230,000 of 6½ per cent first mortgage bonds outstanding, and $250,000 of seven per cent preferred stock.

Commodity Prices

	Latest week	Previous week	Same week last yr.
Cattle, cwt.	$6.50	$6.50	$4.75
Copper, lb.	.08	.08	.05
Cotton, lb.	.1235	.1240	.0635
Rubber, lb.	.1120	.1050	.0297
Sugar, raw, lb.	.0320	.0330	.0287
Silk, lb.	1.47½	1.47½	1.20
Wheat (Man.) bu.	.67⅝	.67	.49⅞
Hides, lb.	.09½	.09½	.04½
Coffee, lb.	.11¼	.11	.08⅛

Weekly Indices

N. Y. Annalist	108.2	108.2	80.4
Fishers'	74.5	74.4	†63.6
N. Y. Journal of Comm.	74.3	74.9	54.9
Crumps (Brit.)	65.4	65.9	†62.4
U. S. Labor	73.6	73.4	59.6

† Average, 1933.

Monthly Indices

	Latest w'sale	Prev. month	Same month last year
Canada (D.B.S.)			
W'sale (Jan.)	70.6	69.0	63.9
Retail (Jan.)	78.7	78.4	79.1
U. S. Labor (Jan.)	72.2	70.8	61.0
Gt. Brit. (Dec.)	69.6	69.6	68.1

Note: Indices all on base 1926 = 100 except N. Y. Annalist which is 1913 ± 100. British index is Board of Trade converted to 1926 base.

Basis of price quotations is as follows: cattle—steers, good, over 1,050 lbs., top price, Toronto: copper—electrolytic, New York; silk—Japanese, 13-15, New York; sugar—96 degrees centrifugal c/f New York; wheat—No. 1 Man. North., Ft. W.-Pt. A. basis; hides—heavy native steers; coffee—Rio, No. 7, spot, New York.

Decline Halted in 1933 For Rubber Industry

Sales Slightly Higher Than in 1932, According to Rubber Association Figures — Prospects Look Brighter for 1934

Four years of decline in the Canadian rubber industry were halted in 1933 and recovery started, according to the annual report for 1933 of A. B. Hannay, manager and secretary of the Rubber Association of Canada. Following four years in which the value of sales made by members of the association (which represents about 90 per cent of the Canadian total) declined by $49,830,000 or 58.5 per cent, operations in 1933 resulted in an increase in sales of $18,600 over 1932. This would represent total sales of the industry of $41,000,000 in 1933.

Domestic sale of tires was the only item to show a decline in 1933 as compared with 1932, the drop being $854,000, due to lower automobile production for the domestic market and reduced replacement. Export sales of tires were $255,000 higher, however.

Brighter Prospects for 1934

While no figures are yet available for 1934, The Financial Post was informed that prospects looked much better than in 1933 for the tire and footwear divisions of the industry. Heavier automobile production means more demand for tires while manufacturers depots throughout the country were cleared of winter footwear this year for the first time in three years and stocks will have to be built up again.

In footwear, heels and soles, there was a sales betterment of $280,000 in 1933; in mechanical goods of $184,000 and in drug sundries and miscellaneous of $154,000. In each of these lines the betterment was not only in domestic but also in export sales. Though these gains are small, still they are gains and may indicate the advent of better business, Mr. Hannay states.

Percentage decrease in domestic tire unit sales was 6.2 per cent, while the decrease in the domestic dollar-percentage of sales was 6.5 per cent. This difference between the unit and the dollar purchase decline is probably due to the purchase of lower grade tires and is further evidence of the motorist economizing and, therefore, of his disposition to shirk mileage operating.

Footwear Leads in Sales

In normal times the tire division of the industry is by far the most important one. In 1932 however, production of footwear showed a greater value than that of tires, according to Dominion Bureau of Statistics figures, and the same will be true of the 1933 totals, according to the Association's calculations.

Mr. Hannay, in his report, lists the factors which indicate the reduction in mileage travelled by Canadian motorists during 1933. These are: lower domestic sales of cars and trucks; drop of 34,202 in number of cars licensed in 1933; shrinkage in gasoline sales.

Increased taxation is proving a heavy burden for the companies to carry, Mr. Hannay points out in his report. Taxes now represent a much larger percentage of total sales, the imposition of a new poundage excise tax on tires and tubes in 1933 being an important factor. On the subject of taxes, Mr. Hannay states:

"An examination of figures of sales and of tax payments of various kinds indicates that the rubber industry is bearing its full share of the tax burden—federal, provincial and municipal, income, corporation, sales, customs and excise.

"Payments for taxes of all kinds, including customs duties, amounted to $2,388,845, an increase of $720,287 or 30 per cent. This tax bill was equal to 9 per cent of the domestic sales of all companies and to 7.6 per cent of their total sales—domestic and export. Examples of the increases in 1933 of several companies' percentage of tax-payments to their domestic sales figures are interesting.

"With one company in 1932, its tax payments equalled 5.6 per cent of its domestic sales, while in 1933 the ratio grew to 10.84 per cent. With another the growth was from 5 per cent to 10.8 per cent; another from 6.3 per cent to 11 per cent. These were tire companies and the increase in tax payments can be attributed largely to the new poundage excise tax on tires and tubes."

FEWER NORDICS ENTER DOMINION, SLAV RACES GAIN

Total Immigration Down 30 Per Cent from 1932

Immigration in 1933 declined slightly over 30 per cent from the previous year, persons entering from British countries and from the United States showing the largest declines. Northern European races showed a reduction of 26.3 per cent in numbers from the previous year, Germans, although accounting for more than half the total, showing the greatest percentage decline.

Immigrants of other nationalities increased from 1932 by approximately 10 per cent. Magyars, Hebrews and Slovaks were the chief factor in this increase.

60 Per Cent From U. S. A.

Of the total of 14,382 immigrants in 1933, nearly 60 per cent, or 8,500, came from the United States; 2,304, or 16 per cent, from the United Kingdom; 670 or about 5 per cent from Northern European countries, and the balance from other countries.

The 1933 total is only slightly more than one half of the 1931 total of 27,530 and compares with over 150,000 in 1928, for example. Immigrants, by origins, for the past three years follow:

	1933	1932	1931
British:			
English	1,412	2,101	4,599
Irish	278	350	871
Scottish	561	800	2,010
Welsh	53	76	198
Total	2,304	3,327	7,678
United States	8,500	13,709	15,195
Northern Europeans:			
Belgian	26	40	54
Danish	46	49	65
Dutch	25	30	38
Finnish	45	32	100
French	76	90	94
German	389	562	797
Icelander	..	1	..
Norwegian	29	54	66
Swedish	13	34	62
Swiss	21	17	37
Total	670	909	1,313
Other Races:			
Arabian	..	2	1
Armenian	7	1	6
Bohemian	..	7	..
Bulgarian	12	12	14
Chinese	1	1	..
Croatian	102	93	113
Czech	52	69	69
East Indian	35	61	52
Greek	29	34	23
Hebrew	420	313	214
Italian	253	280	467
Japanese	106	119	174
Jugo-Slav	65	48	65
Lettish	3	3	1
Lithuanian	42	43	59
Magyar	484	311	493
Negro	16	9	14
Polish	360	379	560
Rumanian	27	31	28
Russian	63	74	71
Ruthenian	378	438	503
Serbian	25	30	34
Slovak	400	253	338
Spanish	11	7	11
Syrian	13	20	15
Others	4	8	20
Total	2,908	2,646	3,344
Grand Total	14,382	20,591	27,530

Butter Imports From N. Zealand Being Absorbed

From Our Own Correspondent

OTTAWA. — More than half a million pounds of New Zealand butter have been received at Canadian ports in the past two months and, subject to strict supervision by Ottawa, are being gradually sold in the Canadian market.

Of the total, 92,400 lbs., has been landed at Victoria, B.C., and 448,000 lbs., at Halifax and Saint John. Instead of imposing very high dump duties and other tariff penalties, the Dominion Government has allowed the butter to be absorbed by the trade gradually.

Business Briefs

Commercial Intelligence Service office in the Middle East has been transferred from Batavia to Singapore, it is announced in the current issue of the Commercial Intelligence Journal.

Failures under the Bankruptcy Act in the week ended March 3 numbered 20 as compared with 40 in the corresponding week of 1933. Failures to date number 224 as compared with 374 in the same period of 1933, a decrease of 40 per cent.

Gasoline Sales in December amounted to 28,070,000 gallons, a decrease of 7,437,000 gallons from November and 1,604,000 gallons less than in December, 1932.

Footwear Production in January amounted to 1,030,667 pairs, an increase over both December and January a year ago, the respective totals for which are 944,818 and 921,898.

Car Loadings for the week ended March 3 amounted to 42,610 cars, a gain of 1,147 over the previous week and 8,399 over the corresponding week last year. Miscellaneous freight was heavier in both eastern and western divisions, the total being 2,565 over last year's. Coal followed with an increase of 2,250, merchandise 1,227, lumber 733, pulpwood 723, pulp and paper 701 and other forest products 743.

Canadian Business Indicators

Compiled by The Financial Post

▲Denotes new figures this week.

	Weekly Latest 1934	Weekly Latest 1933	Cumulative Jan. 1 to date 1934	Cumulative Jan. 1 to date 1933
Transportation—				
Car loadings (Mar. 2)	▲42,610	34,211	361,860	290,426
C.P.R. gross earn. (Mar. 7)	$ ▲2,275,000	$ 1,984,000	$ 19,816,000	$ 16,760,000
C.N.R. gross earn. (Mar. 7)	$ ▲3,077,471	$ 2,416,746	$ 26,165,265	$ 21,595,558
Monthly				
C.P.R. net earn. (Jan.)	$ 888,969	823,372	......	......
C.N.R. net earn. (Jan.)	$ ‡808,966	$ ‡1,907,424	......	......
Iron and Steel—				
Pig iron, tons (Jan.)	30,677	29,209	......	......
Steel, tons (Jan.)	60,787	40,766	......	......
Auto. prod. No. (Jan.)	6,904	3,358	......	......
Auto Vehicles—				
Passenger, sales, No. (Jan.)	1,876	1,624	......	......
Trucks & buses, sales, No. (January)	239	178	......	......
Auto. exports, No. (Dec.)	1,657	1,132	20,900	13,022
Construction—				
Building permits (Jan.)	$ 692,962	$ 1,186,961	......	......
Contracts (Feb.)	$ 5,635,100	$ 3,149,300	$ 12,388,000	$ 6,511,700
Newsprint—				
Production, tons (Jan.)	188,374	140,539	......	......
Exports, tons (Jan.)	187,820	127,779	......	......
Sugar—				
Imports, raw, lbs. (Jan.)	▲10,751,800	8,621,900	......	......
Melt. & ship., lbs.*	▲20,069,718	19,041,407	36,690,823	37,808,036
Manufactured, lbs.*	▲19,844,708	20,347,109	42,502,105	47,650,242
Flour—				
Production, bbls. (Jan.)	1,042,505	859,107	......	......
Wheat flour exp., bbls. (February)	▲828,376	833,114	776,874	730,418
Other Industrial Indices—				
Lumbering: Plank & Board Exports, mill. ft. (Jan.)	93.98	39.17	......	......
Boots and shoes, pr. (Jan.)	▲1,030,667	921,898	......	......
Petroleum, imp., crude gal. (January)	57,602,568	35,084,950	......	......
Cotton, imp., raw, lbs. (January)	8,499,000	8,765,000	......	......
Rubber, raw, imp. lbs. (Jan.)	3,854,398	2,663,414	......	......
Coal, imports, tons (Jan.)	542,551	486,206	......	......
Gasoline sales, gals. (Dec.)	▲28,070,000	29,674,000	485,550,000	503,781,000
Trade—				
Imports (Jan.)	$ 32,391,424	$ 24,441,133	......	......
Exports (Jan.)	$ 46,652,017	$ 31,561,813	......	......
Wheat exports, bu. (Feb.)	▲6,512,686	10,922,337	13,600,997	25,629,138
Labor—				
Employment Index (Feb.)	91.4	77.0	......	......
Electric Power—Output—				
M. Kilowatt hours (Jan.)	1,728,561	1,396,661	......	......
Finance—				
Failures, No. (Dec.)	159	196	2,044	2,420
Failures, Liabilities (Dec.)	$ 2,344,772	$ 7,886,877	$ 32,953,858	$ 51,629,303
Bank debits (Jan.)	$ †2,597,015	$ 1,968,876	......	......
Bond sales (Feb.)	$ ▲254,154	$ 209,000	$ 44,172,154	$ 20,401,610
Insurance sales (Jan.)	$ 27,925,000	$ 29,367,000	......	......
Automobile Financing—				
Used cars (January)	$ 477,217	$ 544,478	......	......
New cars (January)	$ 362,828	$ 456,275	......	......

*Four weeks period, Feb. 3 to Feb. 28. †(000's omitted). ‡Deficit.

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Basic raw materials for many Canadian Industries.

DOMINION TEXTILE
Company Limited
MONTREAL TORONTO HAMILTON WINNIPEG VANCOUVER

Elected Director

F. R. DANIELS

Of the Dominion Textile Co., Ltd., who has been elected a director of the Paton Manufacturing Co., Ltd., succeeding his father, the late F. G. Daniels.

New Industries and Plant Extensions in Canada

Compiled Weekly By The Financial Post

Canadian Inventions & Manufacturing Co. will shortly establish in Grenville, P.Q., according to newspaper reports. About 25 or 30 men will be employed.

Canadian Bag Co. will establish a branch plant in Saint John, N.B., according to the Saint John Telegraph-Journal. About 30 persons will be employed, it is stated.

Lucky Maid Sales Promotion Co. has commenced manufacture in Regina of a variety of products made from wood, according to a provincial government report. One of their specialties is a combination chair, ironing-board, stool and step-ladder.

Robertson Sales recently commenced manufacture of a varied line of candies in Regina.

New Toronto Concern Makes Diesel-engined Cars

Initial step is now being taken, according to the Toronto Industrial Commission, toward the introduction in this country of diesel-engined motor vehicles with the formation of a Canadian company, **Dominion Diesel Ltd.**, and the leasing by that concern of factory space in Toronto.

Incorporated under federal charter, to manufacture and handle diesel engines and diesel-motored trucks, aircraft and boats, the company's activities for the present will consist of the assembling of trucks and also the substitution of diesel motors for others in existing equipment.

For the present, the diesel engines and part of the auxiliary equipment will be imported.

E. C. Fox, vice-president of Canada Packers, is president of the new company.

SMALL 1933 CROP AND LOWER PRICES CANAD'N TOBACCO

Action of Associations and Government Prevented Panic Selling

After several years of increasing production the tobacco crop of 1933 was reduced by nearly 25 per cent from the 1932 level, according to an official data published by the federal Department of Agriculture. Bright flue-cured and burley in Ontario and the pipe tobaccos in Quebec were the principal contributors to this decline. Adverse climatic conditions had a marked effect in reducing the yield per acre in Ontario, while in Quebec low prices and accumulated leaf stocks forced the growers to cut the planted acreage. Bright flue-cured production declined from 27,615,230 pounds to 22,762,700, burley from 16,644,600 to 9,054,900, large pipe from 2,961,000 to 1,854,000, and small pipe from 852,500 to 211,600. There was no change in the size of the cigar leaf and dark crops.

In general the market has been most unsatisfactory. Up to the end of November, it is estimated that approximately 60 per cent of the flue-cured crop has been purchased at an average price of 19 to 20 cents per pound, the highest price paid being 24 cents. Sales during the ensuing three months were relatively few, although fully two-thirds of remainder was taken off the hands of the growers through the medium of cash advance contracts with the co-operative associations and certain of the packing companies.

Prevent Panic

Owing to the presence of a "sell-to-prevent-loss" clause in the company contracts, operative next September, the tobacco thereby secured has been a depressing factor in the market. The crop evaluation service together with the joint marketing activities of the two growers' associations, aided by financial support from the Ontario Government, did much to prevent the recurrence of the panic selling which featured the 1932 market.

The situation in the burley districts was at first reasonably satisfactory. Prices ranged between 6 to 12 cents per pound, with unusually large purchases for export. Since the middle of January the larger buyers have ceased direct purchases. In their place the remainder of the crop is being bought up by speculators at prices ranging down to 2 cents per pound. As a result the growers have taken steps to organize. The dark crop was grown chiefly on contract.

Quebec Conditions Bad

In Quebec generally conditions have been deplorable, states the survey, except in the southern district where there was a good demand for cigar binders. Otherwise prices have been at ridiculously low levels with the tobacco selling relatively slowly. Surplus stocks of certain varieties in the growers' hands, low grade burley brought in from Ontario, an abnormally high percentage of cigar leaf trash and price cutting in farmers' retail sales have been the chief factors contributing to the chaotic condition of the market.

Tobacco Production in Canada

	1933 Acres No.	1933 Yield 000 lbs.	1932 Acres No.	1932 Yield 000 lbs.
B. C.	537	309	512	382
Ont.	39,326	32,996	45,106	45,760
Quebec	6,090	6,095	8,520	7,952
Canada	45,953	39,400	54,138	54,094

Production in Ontario

	1933 lbs.	1932 lbs.
Burley	9,023,900	16,644,600
Bright	22,484,400	27,615,230
Dark	1,487,900	1,500,000

Bear Onerous Charges

Many electric railways are paying special taxes and assessments in the form of paving charges, snow removal, street widening costs, which are not equitably part of the cost of providing transportation services.

Central Stations Expand

At the end of 1900 the total installation of central electric stations was 62,192 h.p., or only 35.8 per cent of the total installation, as compared with 60,380,691 h.p., or more than 87 per cent of the total at the present time.

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In the Heart of the City
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3,000,000

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Mass Buying Enquiry

Retail Associations Attack Department and Chain Stores — J. S. McLean Shows Farmers Benefit from Ottawa Pact

Features of the evidence given before the Stevens committee on mass buying during the past week were: The unanimous request of the provincial Retail Merchants' Association for legislation to curb the activities of department and chain store organizations; Warren K. Cook's denunciation of department stores and his explanation of the events leading up to the break in the price of men's clothing which, he alleged, had resulted in lower wages, long hours and bankruptcies.

J. S. McLean, of Canada Packers, questioned the evidence of Mr. Laver in which the latter stated that a full-time employee at Canada Packers had received $10.50 for a week's work; he gave an exposition of the functions and conditions of the packing industry. Showed revenue increase resulting from larger bacon shipments.

Thomas Moore, president of the Trades and Labor Congress, confined his remarks largely to suggesting ways of using present legislation to improve conditions and proposed legislation to cover other abuses.

The Financial Post continues its chronological summary of the evidence:

Labor Head Makes Suggestions

Tom Moore, president of the Trades and Labor Congress, opened his evidence before the committee on March 1 with a brief summary of the organization and operations of the congress. He said that it was a national organization of some sixty organizations dealing with various occupations and industries.

No investigating staff is maintained at the central office, this being done by the constituent organizations. Mr. Moore stated that the tenor of his remarks would be directed toward suggesting where existing laws would be helpful in curtailing abuses and where new legislation might be passed toward the same end.

Referring to abuses brought about by pressure of mass buying, Mr. Moore stated that it was obviously impossible to meet a mass order by wage cutting without the conditions spreading throughout the industry so that other competitors might be able to compete. Likewise, he said, where low-priced products have been offered then chain stores and department stores attempt to meet this competition by insisting on prices which make similar exploitation inevitable. So we have a vicious circle, he said.

Approved Committee's Method

Mr. Moore suggested that the best way to obtain evidence on sweat shop conditions and similar bad practices was the way that the committee apparently were working. That is, by sending investigators into the shops and factories and interviewing the workers themselves. Of course, there was the question that the workers might not like to give evidence because their jobs were thereby placed in danger.

The witness pointed out that the question of investigation into sweat shop conditions was not new. In fact, as far back as 1900 an investigation was held into sweat shop conditions and as a result of this the House of Commons passed what is generally referred to as the Fair Wages Resolution. This resolution was passed in 1902 and since that time the post office department has insisted on the regulations regarding fair wages, etc., in tenders for contracts.

Expansion of this fair wage clause and application of the Fair Wage Act which was passed in 1930 and is confined to the construction industry would soon result in a correction of many of the worst sweat shop practices in Mr. Moore's opinion. He said that as everyone is ultimately wanting to do business with the government, the list of firms which would be authorized to tender for government contracts would soon be extended to embrace almost all Canadian industries.

Extend Principle

Questioned by Mr. Ilsley and Mr. Factor, the witness said that the first step as he saw it should be made by the provincial governments in falling in line with the Dominion government, in the question of fair wage payments by firms tendering for provincial business. The principle could then be extended to municipalities, he thought.

Mr. Moore felt that the Combines' Investigation Act should allow exceptions in order to allow manufacturers to get together to reduce distribution costs. He instanced the case of milk delivery where ten or twelve wagons passed down one street while actually one or two wagons could efficiently cover the area.

Use Present Laws

The Industrial Disputes Investigation Act is another measure that can be effectively used against the maintenance of sweat-shop conditions and for the exposure of such practices, whether caused by mass buying or otherwise, that lead to payment of low wages and the imposition of poor working conditions, Mr. Moore said. If the application of this act were extended to cover all protected and subsidized industries and such other industries or commercial or financial institutions that might be considered advisable from time to time, it would be possible for employees to obtain public enquiry into the reasons for such unfair wages and hours of labor that might prevail.

Part-time Workers

The witness then alluded to the general practice of employing girls for part time only, say for the afternoon, at wages as low as $3 a week. This, he pointed out, was not a contravention of the minimum wage act as it now applied because the hours of labor being fairly small justified this extremely small wage.

While agreeing that the work being done by the committee was useful, Mr. Moore stated that it was desirable that there should be some method of dealing continuously with economic needs and industrial problems. To meet that requirement he suggested that a national economic council which would act as a fact finding body on all questions affecting employment and unemployment and in general the well being of those engaged in industry, commerce and agriculture, from time to time make recommendations to the proper constituted authority to deal with the same.

Mayor Kerr On Mass Buying

O. J. Kerr, Mayor of Stratford, who appeared before the Committee at the afternoon session on March 1 felt that the mass buying practices of the big retail establishments was one of the chief factors in creating the extremely poor working conditions in the furniture industry. Mr. Kerr spoke as a worker in the industry, as Mayor of Stratford, and as an investigator of working conditions in the furniture industry throughout the chief centres in Ontario.

The witness described what he stated was going on in the furniture industry as far as mass buying by big stores was concerned. "I want you to picture the situation for a moment," he said. In part he stated as follows:

"The manufacturer finds that orders are becoming fewer and fewer in spite of his best efforts. He probably manufactures a good line of goods of nationally known quality and service offered for resale at standard list prices by a dealer organization built up through years of effort. Perplexed by worry and lack of business he is called upon by a buyer representing one of the great retail stores and is offered an order of imposing size for one of his best known lines. True, the price is considerably below that which has been received, but the size of the order, the assurance that it will be a strictly cash deal and the knowledge, probably gently insinuated by the buyer that if he does not accept the business one of his competitors will, decide the question.

"Economies have to be practised and the easiest solution is to cut the wages of the worker. This is done and it is quite probable that small profit is shown. Meanwhile, the big store has out a sale and the manufacturer has the mortification of seeing his well-known jealously priced merchandise offered for sale at figures frequently below his dealers' wholesale cost. The result is a steady cancellation of orders by his old outlets who find it impossible to compete.

Use the Big Stick

"The way is now paved for the use of the big stick and when the next buyer puts in his appearance he does so with the full knowledge that the manufacturer is at his mercy. With his regular connection broken, the factory owner cannot resist; another big order is given, not offered this time, because there is a slight chance of a refusal, and at a price considerably lower than the preceding one. Again wages are cut, piece work is reduced to the point where the workman has been known to be indebted to the firm for the privilege of working at the bench.

"This is not an idle statement; instances of this kind actually happened in my own city."

The witness pointed out that some of the reduction in piece work prices which had taken place was due to the decline in price which the manufacturers obtained for his products. He instanced the case of assembly of a certain type of chair for which the workman in 1928 and 1929 obtained $2.05 and which has dropped to 95 cents. In another type of chair, the former pay for assembly was 45 cents and this had declined to 17 cents.

Milk As Loss Leader

J. J. Frawley, K.C., Solicitor to the Attorney-General of Alberta, told the committee on March 2 of the results of an investigation into the sale of milk made in the province of Alberta. This investigation resulted in the institution of a statute bringing the sale of milk under the board of public utility commissioners of the province.

Farmers in the province, according to the witness, were not receiving a fair price for their product. One of the chief reasons for this condition was the fact that milk was being used as loss leader in the leading food stores. It was selling for as much as two cents a quart under the wagon price delivered to the door. Another problem was that of the farmer who personally came to town and village and peddled his milk at cut rate prices.

The act as now constituted controls the production, processing, handling, bottling, distribution, supply, delivery, keeping for sale and sale of milk.

It has been found, the witness said, that due to the regulation of sale of milk the increase in total sale has been most marked. This has resulted in a recent reduction in surplus supply and an increase in price to the farmer.

Institution of laws called for pasteurization and a certain butter-fat content effectively curbed the activity of farmers selling their own milk as it was found more economical to deliver the milk to large plants which had the machinery installed necessary to pasteurize, etc. Sale at cut-rate through department stores and food stores was prohibited.

J. S. McLean Objects

J. S. McLean appeared before the Committee on March 7. Mr. McLean took objection to the statement made by Mr. Laver that a full-time employee of Canada Packers made only $10.50 per week and found it necessary to apply for partial city relief.

The witness produced evidence to show that the reason for the small amount paid to this particular man was that he was only working on short time. Questioned by Mr. Factor the witness stated that he did not know that the stand-by system was in force at his plant. He did know, however, that men in working gangs, for instance, killing gangs, were paid only for the time they worked and not from the time they reported at the plant.

Asked by Mr. Sommerville whether or not the employees at Canada Packers plant were organized, Mr. McLean said that they were not members of any organized union. Whenever there are, at various times, he pointed out, conditions in the plant which are under consideration and we ask for a committee to be appointed, a committee is elected by the employees and from time to time adjustments are made and that committee is active and then it lapses. It happens at the present time that we are in a period of lapse, Mr. McLean said.

Explains Packing Industry

The witness stated that he could not speak for any specific member of his staff but he wished to say that any implication that employees of Canada Packers are not treated with consideration and fairness is very unjust. It is inevitable, he says, that there will be inequalities and injustices where 1,200 persons are employed.

The witness went on to explain the functions of the packing industry and the co-relation between the packing industry and the livestock producer. The whole situation has been cursed with lack of confidence and lack of co-operation between the farmer and the packer during the forty years of Mr. McLean's experience.

Mr. McLean said that this should not be. Every interest that the farmer had, the packer had and vice-versa.

Over-expansion during the war years resulted in a very disorganized condition in the Canadian packing industry following the falling off of exports in 1920 and 1921. Mr. McLean felt that during the past fifteen years, the packing industry as a whole had suffered a large loss.

Must Find Markets

Canada must continue to produce large agricultural surpluses, Mr. McLean told the committee. The problem of agriculture was to find the best market for that surplus, and the Canadian packing industry was an important factor in disposing of livestock in the form most acceptable to foreign buyers.

Because Canada could no longer export its wheat, it was increasingly important to export livestock products in dressed form in order to bring back the highest monetary returns.

Mr. McLean insisted that the export market dominated the domestic price and pointed to the rise in the price of Canadian bacon on the U. K. market from 40 shillings to 90 shillings in the past year.

This, he contended, had raised the Canadian price for hogs from 3¼ cents to 9¼ cents per pound, which on a production of 6,000,000 hogs represented an average betterment of the position of the Canadian farmer of $36,000,000 in the year. This was accomplished despite the fact that the exports represented only 10 per cent of the production or 600,000 hogs. He would credit this increase to the effect of the Ottawa Conference, he said.

Poor Quality Hogs

"But Canada," he added, "could have reaped much greater benefit if its bacon had been as good as the Danish bacon. We would have got at least 6 shillings a hundredweight more, or a cent a pound live weight. This would have figured out at an additional 12 million dollars."

Mr. McLean declared few people realize that Canada is losing $12,000,000 annually because her hogs are not as good as Danish hogs.

Warren K. Cook, president of the Canadian Association of Garment Manufacturers, appeared at the morning session on March 8. Mr. Cook stated that in addition to appearing before the committee as the president of the Garment Manufacturers' Association, he also represented the National Fair Trade Council, in process of formation.

Mr. Cook stated that, while no record was obtainable of the extent of the operations of one particular large departmental store and mail-order concern, he was convinced that investigation would show that since this concern obtained semi-monopolistic proportions that its influence on Canadian industry and trade has been disastrous and that its operation during recent years has been one of the chief contributing causes toward the degradation of labor in all lines of production of consumer goods.

Favor N. R. A. Code

According to the replies to a questionnaire sent out by the Garment Manufacturers' Association in July, 1933, the majority of manufacturers in the needle trades were in favor of some code of fair competition along the lines of the N. R. A. in the United States, the witness stated. Only three replied in the negative.

Mr. Cook quoted from letters from manufacturers dealing with the subject of mass buying by the large department stores. All these pointed to alleged improper methods used to obtain a better price than the specialty shops.

Referring to the large volume of advertising space used by the department stores in dailies throughout Canada, with particular reference to Toronto, Mr. Cook stated that it was generally accepted that nothing injurious appeared in these newspapers regarding the stores. He felt that this large volume of advertising helped to create lower standards of labor by tending to reduce retail prices.

Introduction in March, 1931, of men's two-trouser suits at $20.50 by the large department stores was the beginning of the ruination of the men's clothing industry. The witness stated that he had examined these suits and was of the opinion that they could not be made honestly at the price. The immediate result of this sale was a demand on all men's clothing manufacturers by independent retailers for some line with which to compete. The first result was that wages were cut—about 20 per cent being general at that time.

It later became known that the majority of the materials offered in these suits at the unheard of price of $20.50 had been transferred to the manufacturers at less than cost of production. The case came before the courts and it was found that the jobbers handling the cloth shipment had gone into bankruptcy. They were arrested on a charge of fraud, the witness stated.

Questioned on procedure in this case, Mr. Cook stated that the goods came in the front door at one price and out the back door at a lower price before the original vendor had been paid. The jobbers then filed a petition in bankruptcy.

Price trends then became lower and suits were soon offered for $16.50—often advertised as made of expensive cloths, which was not so.

Everyone Affected

Mr. Cook stated that he could prove that the direct result of these two sales was a lowering in wages and living standards of everyone connected with the clothing business, whether manufacturer, employee or retailer. The same trend had gone on in the radio industry, in women's wear, furniture and so on, he added.

Department stores were charged with not living up to the terms of their contracts in another instance quoted by the witness. In this case an order was placed for 12,000 units to be delivered over a period of some months. The store accepted delivery of the first two months supplies and then asked that the balance be held up. Eventually the manufacturer was offered about 25 per cent below the contract price for the balance and had to accept owing to the threat that further business would be denied him, the witness stated.

Answering a question asked by Mr. Kennedy, Mr. Cook stated that he thought that the low price abuses to which he had referred would have taken place regardless of the depression.

Asks Help For Retailer

George S. Hougham, secretary of the Ontario Retail Merchants' Association, formerly occupying a similar position in Alberta and British Columbia, outlined the case for the small retailer in his fight against the chain store, department store and mail-order method of selling, at the afternoon session on March 8.

In the opinion of the association the dominating influence exercised by the chain store and its units and the department store and its subsidiaries is a social menace, he said. He gave the following reasons:

1. The system has displaced thousands of individually and family owned retail establishments right across Canada. The result has been (a) concentration of buying power in certain large cities at the expense of the smaller communities; (b) a similar concentration of buying power in fewer hands and in the same large centres; (c) the concentration of capital in exactly the same manner; (d) the concentration of profits sucked from the entire country through the feeders established by the large organizations in the country towns through their branches and units.
2. It has placed definite limitations upon the expansion of those who survive.
3. Store hours have been lengthened among the survivors, and wage scales have been forced down.
4. The system operates against the development of sturdy independence of character, reducing the status of employees within these huge organizations to mere cogs in a vast economic machine and closing the field of opportunity for those desiring to enter into business for themselves, thereby arresting community expansion.

Supplementing these reasons, however, it should also be stated that the system of massed distribution has also broken down the purchasing power of the primary producer and the wage earner in factories.

Chain Store Problem

Result of the introduction of the chain store into rural communities has been the displacing of the independent retailer, the witness stated. Representatives of the association had supplied figures, he added, showing that in London, for instance, 36 downtown retailers have been displaced by chain store units in five years; in St. Catharines, 17 groceries have been forced out of business; in Barrie 18 independent stores have been displaced in five years and the remaining ones have been forced to increase store hours.

The witness quoted many instances of long hours of labor worked by employees of chain food stores; of merchandising practices resorted to by these stores in which local managers were forced to provide a "morning special" by the head office and in order to do so had to go out and force the manufacturer to cut prices.

A new charge was laid against the department stores by Mr. Hougham, that being excessive mark-up of goods. He gave as an instance the case of a Toronto retailer who purchased Japanese silk at 87½ cents a yard plus sales tax. This he placed in his display marked to sell at $1.35 a yard. A few days later the advertisement of a department store offered the same goods at $1.49 a yard, reduced from $1.79. A very perturbed representative of the wholesaler called on the independent retailer and asked him to increase his price to $1.49. This he refused to do. The individual retailer is finding it extremely difficult to obtain a further supply of these goods, it was stated.

Wheat

From Our Grain Correspondent

Uncertainty Over Wheat Pact

WINNIPEG.—The wheat market continues to be marked by extreme dullness, with a minimum amount of trading in progress. Uncertainty as to the marketing legislation to be enacted in Canada was blamed for a decline of close to one cent a bushel on Tuesday. Liverpool comment continues to stress unfavorable outlook for winter wheat in Europe, and also in the United States, to which increasing attention appears to be given abroad. But heavy shipments from the Argentine, coupled with hedging at Liverpool of wheat not yet shipped appears to be a factor in keeping prices down. Although the Argentine Government recently repeated assurances of intention to abide by the London wheat agreement, traders are wondering if the government there does not intend to claim that shipments to Brazil and China are to be considered as supplementary to instead of part of the quota agreed to.

Russian Black Sea shipments have commenced again, and chartering of four cargoes for shipment to the Orient is reported, but this wheat may be destined for shipment inland from Vladivostok, and not for China, as at first reported.

* * *

Farmers' Wheat Higher

ESTIMATES of wheat yet to be delivered by farmers have had to be revised upward, with perhaps 25,000,000 bushels yet to come. Original calculations, based on crop estimates, would have left little over half that in farmers' hands at this date, but it is assumed that less has been used for feed than usual, because of short production in large areas last year, while in addition farm reserves, of which there can be no exact account are perhaps being drawn on for several million bushels.

* * *

French Crop Damage

LIVERPOOL continues to stress reports of winter damage to the wheat crops of Europe and particularly that of France, and evidently feels that the total production of the continent in 1934 is likely to fall far short of that of 1933. The fact that French farmers are reported to be reseeding considerable areas of winter killed wheat is indication that damage has been on a fairly large scale, but it is much too soon to form any definite idea of the reduction from last year's yield that is likely to take place.

France is evidently still worried over having increased production and cut down consumption of wheat to the extent that a large surplus of domestic wheat still overhangs the market, while subsidizing exports of soft wheat to the British market has proved expensive without appreciably cutting down the excess supply.

Grain and Milling in Canada

SEPARATE GRADING OF GARNET WHEAT EXPECTED SHORTLY

Change May be by Order in Council or Act Amendment

MANY DIFFICULTIES

From Our Own Correspondent

WINNIPEG.—Separate grading of Garnet wheat, commencing with the crop of 1934, is now expected, either as the result of an amendment to the Canada Grain Act or by order in council. It is now excluded from No. 1 hard and No. 1 northern, and for that reason makes up the great bulk of wheat graded No. 2 northern.

Because it is an earlier maturing variety of wheat than Marquis, Garnet has become the principal variety of wheat grown in the northern parts of Manitoba, Saskatchewan and Alberta, and farmers in those areas have been much opposed to increasing the discrimination against it. They are afraid that if it is forced to be marketed and offered abroad under a new set of trade names it will be a considerable time before a demand can be developed for it.

Different From Marquis

The argument for separate grading rests on the fact that Garnet is claimed by millers to be a harder type of wheat than Marquis, and to require a different method of conditioning when it is being prepared for milling. Its flour, too, has a slightly yellowish tinge. Grown in the same areas as Marquis wheat it would probably be almost as high in protein content, but much of it is grown in districts where the protein content of any wheat, no matter of what variety, is characteristically low.

There is no use urging northern farmers to substitute Marquis wheat for the Garnet which they sow, because there is danger of Marquis wheat not ripening in time. Another variety of wheat, Reward, which combines most of the characteristics of Marquis wheat with the early ripening of Garnet, is urged as a substitute, but it has shown a high susceptibility to one form of smut disease, although it appears possible to get strains of seed free from this taint. But for some time yet many northern farmers are likely to keep on growing Garnet, and if the segregation of that type of wheat results in a markedly lower price to them, which may or may not occur, it is going to be difficult to satisfy them. Such were the reasons which kept Parliament last year from altering the grade.

Reason For Change

The reason for change of attitude in government circles appears to be mainly representations recently made from Vancouver to the effect that No. 2 Northern wheat was selling at a discount at that port, as compared with higher grades and with Winnipeg prices, because the 2 Northern from Alberta contained a higher percentage of Garnet wheat than the same grade going out by the eastern route. The explanation of the current price situation is hardly adequate, as Great Britain has in the past bought a great deal of the same kind of wheat from Vancouver, taking it in preference to higher grades, and a comparatively small discount, and there appear to be many other factors bearing on the situation.

Sooner or later, it has been taken for granted, separate grading for Garnet would be introduced. To make the change now, however, involves some special difficulties, for there are more than fifty million bushels of wheat now in store, graded No. 2, in which Garnet and Marquis wheat are inextricably mixed. To change the grade name applied to such wheat, before the stocks on hand have been disposed of, may be to impair its selling value, and heavy losses might be thrown on the elevator interests who are now carrying such grain.

May Postpone Effective Date

It is still possible that consideration of the whole problem will lead the authorities, while announcing the change now, to postpone its effective date until the 1935 crop. That would give farmers sufficient notice to change their seed, if they do not desire to incur the risk of continuing to grow Garnet, something which is impracticable at this late date for the crop of 1934. It would give time to make the new grade names for Garnet known in consuming markets, and also for the technical marketing problems associated with a switch of grading to be worked out.

Provinces Appear Victors In Buck-Passing On Quota

Dominion Saddled With Responsibility Over Terms of London Wheat Agreement — Provincial Plans Tend to Increase Wheat Acreage Rather Than Reduce It

From Our Own Correspondent

OTTAWA.—The legislation affecting wheat sales, being introduced simultaneously in the legislatures of Manitoba, Saskatchewan and Alberta, leaves an infant of doubtful parentage on the Ottawa doorstep for adoption. In the game of buck-passing which has been indulged in since the signing of the London Wheat Agreement between the provincial governments of Western Canada and the Dominion government at Ottawa, the former appear to have scored.

After Prime Minister Bennett's return from London he made it quite clear that in his opinion Western Canada should cut down its wheat production in order to correspond with the limitations on export which had been agreed to on behalf of this country, and that the provincial governments, whose advocacy had been largely responsible for Canada's adherence to the scheme, were expected to take measures to that end. But the provincial governments, discovering the unpopularity of doing anything of the sort, have produced an alternative scheme, which does nothing to carry out the original objective, but offers a plan for regulating the sales of wheat which may be made by farmers.

Stimulates Production

Instead of cutting down the production of wheat by western farmers in 1933, it is likely to increase farmers' efforts to seed wheat this year. That is because, as western members here have noted, once a quota scheme is introduced for deliveries of wheat, the sale of wheat becomes a privilege which each individual farmer must endeavor to maintain for himself. He cannot afford to risk his position in the allocation of future quotas by failing to have the full quantity of wheat allocated to him for sale. So any plans he may have had for increasing his summer-fallow, or for growing coarse grains instead of wheat are likely to suffer.

The prize of the contest has really been carried off by the management of the Saskatchewan Wheat Pool, who have managed to get their way and under cover of the confusion resulting from the London Wheat Agreement have approached a step nearer the goal toward which they have been pressing for several years, of securing monopolistic control of the wheat handling of western Canada.

It is significant that their solicitor, R. H. Milliken, K.C., of Regina, has taken a leading part in the drafting of both Dominion and Provincial legislation, being engaged first at Ottawa, and subsequently at Regina, on the project.

Restriction of sale of wheat is going to be easy for political opponents of the government to say that any restrictions placed on farmers' marketings do not arise out of the London Wheat Agreement, or any international obligations. The fact will be noted that no corresponding restrictions have been placed on farmers in other exporting countries. The real necessity for the restrictions, it will be claimed, arises out of the Canadian carry-over, which is essentially in the hands of the government. In other words, it will be said, farmers are to be held back from selling their wheat so that the government may sell its wheat.

Impossible to Enforce Quota

Then there is the risk of discredit involved in taking responsibility for a task, which, Western members insist, simply cannot be satisfactorily performed. There is no principle that can be invoked in attempting to allocate quotas for wheat deliveries among the farmers of western Canada, some of whom have greatly cut down their wheat acreage in recent years while others have increased theirs, some of whom have experienced a succession of crop failures, while others have had a series of very good crops. Whatever body is given authority in this connection will have to exercise a good deal of it arbitrarily.

There is a tendency here to believe that the Dominion Government would have done much better to refuse to have anything to do with the scheme covered by legislation now proposed.

Key Facts About Wheat

	Total bu.	Previous Week bu.	Same Week Year Ago bu.
Visible Stocks (week ended Mar. 5):			
Canadian	112,625,000	114,067,000	105,285,000
Argentine	17,635,000	17,268,000	12,024,000
United States	97,292,000	100,640,000	143,576,000
Australian	99,000,000	101,000,000	111,000,000
Canadian Wheat in Store:			
Fort William, Mar. 9	69,771,980	68,991,200	63,940,700
Country elevators, Mar. 2	105,169,942	105,594,539	109,916,737
Total, all points, Mar. 2	229,865,751	230,128,537	223,576,858
World Shipments, incl. flour (week ended Mar. 12)			
North American	3,920,000	4,014,000	5,405,000
Argentine	4,940,000	2,628,000	4,541,000
Black Sea*	352,000	24,000	868,000
Australian	2,030,000	1,352,000	7,569,000
Total (world)	11,626,000	8,418,000	18,043,000
World Wheat on Passage (Mar. 12)	39,944,000	40,024,000	63,824,000
Canadian Marketing and Exports:			
Canadian exports† (Mar. 2)	3,563,683	2,620,873	3,492,869
Cumulative to Mar. 2 (31 weeks)	101,540,760	97,977,077	152,825,835
Prairie marketings, D.B.S. (Feb. 23)	1,706,540	2,823,624	3,820,348
Cumulative to Feb. 23 (30 weeks)	178,651,718	176,945,178	296,642,399
Country deliveries (Mar. 9)‡	1,735,000	1,527,000	4,081,000
Country loadings (Mar. 9)‡	2,243,955	1,796,970	4,677,770

*Includes South Russia. †Excluding flour. ‡Sanford Evans Weekly Report.

Winnipeg Grain Prices

Week to March 13, 1934

Crop year from Aug. 1, 1933 High	Low		Open Mar. 7	High for week	Low for week	Close Mar. 13
		Wheat				
.95	.59¼	May	.69¼	.70⅛	.68⅝	.69
.71½	.62¼	July	.70⅝	.71⅝	.69⅞	.70¼
		Oats				
.48½	.29½	May	.35½	.35¾	.35	.35¼
.38⅝	.32⅛	July	.36½	.36⅝	.35½	.36
		Barley				
.59¾	.32½	May	.42	.42	.40¾	.41
.44¾	.36¼	July	.42⅞	.42½	.41¾	.42⅛
		Flax				
1.71½	1.15	May	1.55	1.53¾	1.51¼	1.51¼
1.58	1.39½	July	...	1.53	1.49¾	1.50¼
		Rye				
.68½	.39⅛	May	.48¾	.49	.47⅞	.49¼
.53¼	.43⅝	July	.49⅞	.50½	.49¼	.49⅝

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Porto Rico Dividend Policy is Criticized

But Are Preferred Shareholders' Allegations Backed Up by Review of Financial Record?

Editor, The Financial Post: I have some preferred shares in the Porto Rico Power Company Limited. The company have paid dividends on the preferred stock for twenty odd years. The stock is listed in Toronto, and there is a fairly wide distribution of it. I am considerably exercised, however, by the fact that this company is paying out $240,000 per year in common dividends, although they have actually a liquid deficit (December 31, 1932) of $437,000, and have first mortgage bonds to an amount of $1,670,500, maturing 1936.

It would appear that control of the common, if not all of it, is owned by International Power Company, and it would look as if the latter company in an endeavor to build up their own earnings were taking out of Porto Rico Power Company dividends which in view of the latter company's liquid position, and its maturing bonds due in three years time, should never be declared or paid. The strange part of the business is that in 1930 Porto Rico authorized an issue of $2,000,000, 6 per cent debentures, and in his published remarks to the shareholders, given in their annual statement of the company for 1930, the president, I. W. Killam, stated with respect to this issue "$1,000,000 has been sold, and arrangements have been made for the sale of International Power Company of the remaining $1,000,000 as required by your company."

You will see, therefore, while International Power have under-written the million dollars of Porto Rico bonds, this amount has never been put up by International Power. If the amount were put up, Porto Rico would be placed in excellent financial postion, but far from paying up the amount, and by virtue of their controlling interest, they are actually taking out in dividends starting in 1931, $240,000 per year. I have no doubt that International Power legally have a right to continue draining out earnings from Porto Rico, but is it not bad business, and unfair to the shareholders of Porto Rico, whose earnings should be conserved even to the extent of withholding preferred dividends, if necessary, until their liquid deficit was wiped out, and provision made for maturity of bonds, and some liquid surplus saved up. . . . .

Letter from Another Reader

Editor, The Financial Post: . . . Although the preferred dividend is well earned, this jeopardizes the position of what is otherwise a high grade stock. If you will look at their depreciation account also you will notice the apparently meagre $84,000 set aside against a nearly twelve million dollar property account; nevertheless they pay out from year to year a heavy common stock dividend.

Before discussing whether or not management policies have been in the best interests of all, it is necessary to have a background of the company, its operations and developments leading up to the basis of complaints Porto Rico Power Co., formerly Porto Rico Railway Co., is controlled by International Power Co. It was incorporated in 1906 and at present owns and operates the electric lighting and power distribution systems in San Juan and 33 other municipalities in the eastern section of the Island of Porto Rico. The company also operates the tram system in San Juan and suburbs, together with a steam railway connecting the terminus of the tramway at Rio Piedras with Caguas, 18 miles distant.

Enlarge Power Facilities

In 1928 the company needed more power. To the end of meeting this condition, Porto Rico Power secured the rights to undertake the development of a power site on the Blanco River. This work involved a capital outlay of between $1,500,000 and $2,000,000. It was necessary to borrow the money to carry out the development programme.

Two years later the shareholders—common and preferred—attended a special general meeting for the purpose of voting on an increase in the company's borrowing powers. The meeting gave the management approval to borrow up to $2,000,000 by the creation of an issue of 6 per cent debentures.

Question of Financing

International Power undertook to raise the money for its subsidiary. There is no apparent evidence to indicate that International underwrote the issue. The parent company had an option on the issue and as mentioned in the 1930 report of Porto Rico "$1,000,000 has been sold and arrangements have been made for the sale by International Power of the remaining $1,000,000 as required by your company."

In the fall of 1930 Royal Securities Corp. sold $750,000 of these debentures to the public and the balance of $1,250,000 were hypothecated against a bank loan of $1,000,000.

At the end of 1931 Royal Securities had sold another $250,000, bringing the total issued up to $1,000,000, while a similar amount remained with the bank against a loan which had been reduced to $800,000.

Record of Dividends

From 1929, when the development work was undertaken, up to the end of 1932 the company had an adverse working capital due to the existence of this bank loan. During 1929 and 1930 the company earned and paid a common stock dividend of $4 a share, practically all of which went to International Power. In 1931 the dividend was raised to $8 a share and earned by a margin of $4.03. In 1932 the company suffered heavy hurricane losses, reducing common stock share earnings to $7.80, while the dividend remained at $8.

This was the situation as covered by the company's official reports—that for 1932 not being issued until the end of last year.

Basis of Criticism

The above criticisms of the management's policy to date raise the following points:

1. International Power should have been forced to accept and sell the debentures in 1930, so that the balance sheet would now show a favorable working capital position.
2. The company has first mortgage bonds falling due in 1936 and seemingly no provision is being made for redemption. Meanwhile the company continues to pay dividends on the common stock.
3. The amount set aside for depreciation is wholly inadequate.
4. The position of the preferred shareholders is being jeopardized by the action of the management.

Picked Bad Year

There are points to be made in defense of the company's policies. These may be set down so that investors may have both sides of the matter to consider.

On the first point, it was a very difficult matter in the fall of 1930 to sell even the highest grade Government bonds, let along a public utility issue. If International Power had undertaken to sell the full issue, through Royal Securities Corp., a heavy discount would have been necessary; otherwise the security could not have been sold. The company's executive apparently thought it more advantageous to raise a bank loan, upon which interest charges amount to 6 per cent. As the coupon rate on the debentures is also 6 per cent, it is assumed that the company could not have secured the additional capital on a cheaper basis. In the next two years financial markets did not undergo any improvement and Porto Rico continued to carry the loan on its books, although a further block of $250,000 of the debentures was sold in 1931, and the proceeds applied to a reduction of the bank advances.

Position of Bank Loan

If Porto Rico Power had been able to effect all of its financing in 1930, it would not appear that the position of the stockholders would be any better in so far as the amount of net earnings available for dividends is concerned, although a fixed debt is always preferable to a heavy bank loan. The funding of the bank loan would not have reduced interest charges; in fact would probably have meant higher charges.

The funding of the bank loan undoubtedly would have given the company a "favorable" working capital position. It does not seem to make much difference whether or not the capital spent on development work was funded immediately or carried as a bank loan for a few years, provided that arrangements made with the bank barred out the possibility of any sudden or unexpected call to repay the advances.

Debt Shows Reduction

The next point is that Porto Rico Power is apparently making no provision for taking care of its first mortgage bonds when they mature in 1936. In 1929 expenditure on capital account amounted to roughly $1,600,000. It is noted that since then the funded debt has increased from $3,431,167 in 1926 to only $3,643,838 at the end of 1932, while the bank loan has been reduced from $1,632,248 to $675,000. Thus in 1929 bank loans and funded debt reached a maximum of $4,844,415, whereas the aggregate of these two items at the close of 1932 was $4,318,838—a reduction of over $500,000, all of which was accomplished out of earnings.

Will Follow Precedent

The only funded debt of near maturity is the first mortgage bond issue of $1,670,500 maturing in November, 1936. Interest requirements on this issue amount to $83,525 annually on the amount outstanding at the end of 1932. Since 1926 the smallest amount of net income available for this charge was $407,635 in 1927; it was $547,092 in 1932. Under the terms of the trust deed a sinking fund has been set up for the retirement of these bonds. This obligation has been met in full by the company.

It is a common practice to refinance the balance of a bond issue of this character. In view of the fact that there is a substantial equity back of these bonds and that interest, after depreciation and other charges, has been covered 5 times or more each year, it does not seem that the company will have trouble in carrying out this refinancing operation in 1936. It may be that at that time the financial markets will not be able to absorb an issue of less than $1,500,000 (smaller amount due to operation of sinking fund) but on the experience of other utility companies, the management of Porto Rico Power Co. feel they have justification in pursuing their present policy as regards the first mortgage bonds.

Depreciation Bugbear

The third point of criticism is the seeming inadequacy of the depreciation reserve. There is no recognized basis to work from in order to determine whether or not depreciation charges are adequate or inadequate. During the period under criticism—1932— Porto Rico Power charged a net amount of $83,658 against an undepreciated book value of property amounting to $11,781,889. This is equivalent to 0.71 per cent. In the previous year the charge, on the same basis, was 1.47 per cent. But it is important to note that in 1932 the company suffered severe damage from hurricanes and charged $147,781 against income account for losses suffered.

Depreciation is a contentious subject. An examination of the depreciation charges made in 1932 by 16 of the leading Canadian utility companies, on the same basis as outlined above, shows that the depreciation charge ranges from 0.155 to 5.15 per cent. The average is not much over 1 per cent. If one takes the depreciation charge of Porto Rico Power in 1931, a year free of hurricane damage, the amount charged would compare favorably with those charged by the 16 leading Canadian companies.

Position Not Impaired

The fourth and last point is the most important from the preferred shareholders' point of view. From 1929 to the end of 1932 more than $1,600,000 of new money was spent on capital account. Nearly one-third of this sum has been repaid out of earnings.

In connection with the complaint of shareholders it is natural to think that because of the policies of the management, the equity and earning power back of the preferred has been impaired. An examination of the company's accounts does not bear out this thought.

Following are the ranges of equity back of the preferred and common stocks between 1926 and 1932—the high, low and current level being taken:

EQUITY BACK OF STOCK

	1926	1929	1932
Preferred	$514	$484	$511
Common	138	128	137

Earnings Above Average

What of the earnings on the preferred stock? Has the increase in funded debt, existence of bank loans, etc., lowered the amount of earnings available for dividends? The following record speaks for itself:

PREFERRED STOCK

	Earnings per Share
1926	$24.16
1927	18.65
1928	24.91
1929	25.02
1930	28.46
1931	43.08
1932	30.39*
Seven Year Average	27.81

*After charging off $147,781 due to hurricane damage.

Parent Company Status

A fifth point which arises from an examination of the management's policies, is whether the parent company has "milked" the subsidiary to the detriment of the property. It is quite true that International Power's income would be seriously impaired if it were deprived of revenue from its stock holdings in Porto Rico Power. The relationship between International Power and Porto Rico should be forgotten for the moment to arrive at a fair conclusion as to whether or not the subsidiary is being "milked."

Has Earned Dividend

A common stockholder is entitled to a return on his investment if earnings of the company justified such distribution. The record of Porto Rico Power follows:

COMMON STOCK

	Earnings Per Share	Paid Out	Balance to Surplus
1926	$5.70	$1.00	$141,635
1927	3.88	3.00	26,564
1928	5.96	4.00	59,069
1929	6.01	4.00	60,204
1930	7.15	4.00	94,592
1931	12.03	8.00	120,752
1932	7.80	8.00	6,088*

*Deficit after charging $147,781 loss due to hurricane damage directly to operating income.

Not Overly Conservative

As will be seen in the foregoing table, earnings were $6,088 short of covering the dividend in 1932. In the previous six years the balance added to surplus amounted to over $500,000, so that for the 7-year period the company covered the dividend on its common stock and had a surplus of slightly better than $496,000.

The failure in a single year to earn the common dividend and yet pay it is not evidence in itself of unsound financial management. The only point is that it was the second year of the 8 per cent dividend that the hurricane came along. It might have been a more conservative act on the part of the management to have reduced the dividend until such time as the hurricane loss had been absorbed.

The company seems, on the record, to have given both bondholders and preferred stockholders their just due. But it has not been ultra-conservative in its dividend policy.

Enquiries

General Steel Wares

I am considering the purchase of some General Steel Wares preferred. What do you think of this stock as an investment? What do you think of the possibilities of appreciation in prices and as to resumption of dividends?

In the last two years, General Steel Wares has passed through a period during which expenditures have been reduced by $1,000,000 per annum and sales policies have been changed. Improvement in earnings in 1933 was due to this and to an improved market for its varied products. Further improvement in sales will depend upon continued improvement in business conditions throughout Canada, but with the advantage of reduced operating costs the company hopes to be able as times improve to make a comparatively rapid recovery in earnings. Despite the fact that the company has not earned bond interest since 1929 and had heavy losses on operations in 1931 and 1933 bond interest charges have been paid to date and the amount of bonds outstanding has been reduced from $9,000,000 in 1929 to $7,452,000 at the end of 1933.

There are 45,000 shares of 7 per cent cumulative preferred stock outstanding on which arrears of interest amount to some $21 a share. Until the company is able to earn depreciation and bond interest charges with some margin to spare the position of the preferred stock will remain speculative. The company has not provided for depreciation on its fixed assets since 1930. Prior to that time depreciation in excess of $300,000 per year was provided so that the present fixed assets of the company carried in the balance sheet at $8,700,000, after deducting existing depreciation reserve of $3,500,000, could be reduced by another $1,000,000. Arrears of preferred dividends amount to another $1,000,000. It would seem, therefore, that dividends on the preferred stock might be deferred for some time, even after the company covered all of its annual fixed charges, or that some plan of reorganization might be worked out whereby preferred shareholders would receive stock in lieu of cash on account of arrears of preferred dividends.

Int. Milling Co.

What is your opinion of the preferred shares of the International Milling Co.? There are two issues, 7 per cent $100 to $105 and 6 per cent A $84 to $86. Is there any priority in the issues? There are no bonds outstanding. I am informed it is a good investment and am advised to purchase.

The two issues of International Milling Co. preferred stock are the original issue of 7 per cent preferred stock of $4,000,000 with $3,430,100 still outstanding on Aug. 31, 1933, and the issue of $1,000,000 6 per cent preferred stock, series A, with $890,600 still outstanding.

The first preferred 7 per cent original series is preferred as to assets and dividends and redeemable at any time on 60 days notice as a whole or in part at 110. It is non-voting except in the event of default of dividends to the amount of 7 per cent.

The first preferred 6 per cent cumulative stock, series A, is redeemable in whole or in part at 107 on 60 days prior notice at the option of the company. It is entitled to the same amount in case of voluntary liquidation and at par in case of involuntary liquidation. In all other respects, excepting the dividend rate, the sinking fund cumulative first preference stock ranks equally, regardless of the series to which the shares may belong or the time at which the shares were issued.

The company's working capital is strong and it has no banking indebtedness. The company earned $27.06 a share on both series of stock in the year ended August 31, 1933. The company has paid dividends on preferred since 1911.

Southern Canada Power

Please let me have a report on the operations of Southern Canada Power Co. Has its earning power been satisfactory and what has been the trend of earnings on the common stock?

Southern Canada Power Co. has managed to maintain its earning power on a comparativealy high level. The heavy premium paid on the purchase of United States exchange to meet bond interest payments and the growing dividend distribution on the preferred stock, however, have limited the amount of net earnings available for distribution on the common stock. The drop in the premium on United States funds in recent months has had a favorable effect upon the company's finances. Offsetting this, to some extent, however, is the fact that the company recently reduced its rate schedule on domestic business. For the next year or two this is expected to cut into gross earnings, so that the savings effected by the lower premium on United States funds will be largely minimized. The field in which the company operates is highly industrialized. The long term outlook for the company is regarded as favorable and with an increase in the consumption of energy, the loss in revenue through the recent rate reduction should be overcome.

Brewing Corporation

Could you please publish in your valuable paper for me what you think about Brewing Corp. of Canada?

The prospects of Brewing Corp. of Canada are bound up in the likelihood that the Ontario legislature in its present session may extend the right of sale of beer and ale to restaurants and hotels. Finding only 20 per cent of total brewing capacity in Ontario used to meet demands under present conditions of selling to the Liquor Commission, brewers feel that the greater convenience to purchasers will make a great difference in sales and that much home brewing now going on will stop. As things are, Brewing Corp. of Canada is meeting its operating expenses but with little over for stock. The principal reason for this is the very high taxes that the company has to pay. There is a prospect of wholesale merger of this company with small companies with the idea of clearing a lot of small competition out of the way. Irrespective of what the Ontario Government policy may be, this get-together movement of breweries may improve underlying situations.

Massey-Harris Co.

Will you report on Massey-Harris stock and say whether or not you consider it a good buy at present prices?

The financial report of Massey-Harris Co. for the year ended Nov. 30, 1933, showed the company to have cut down its bank loan sharply to $2,000,000, to have brought back some of the assets frozen in foreign countries and to have made progress in its two other objectives in the depression, that is, to collect the large accounts owing to it since 1929 and to sell some of its inventory.

That is the most which could be expected from a company in the farm implement and machinery industry since the depression began. The almost utter collapse of farm products prices in Western Canada and in many lands where the company operates, made it very difficult not only to sell farm machinery but to collect accounts for those already sold. The company was fortunate last year in being able to bring back from Australia and elsewhere money which was owing to it and which had been held up by the collapse of exchange during the depression.

In the depression following the post war boom the company also had quite large losses and it took it about three years to come to a place where profits replaced those losses. It is possible that some time will elapse before the farmers will be in a position to buy in a way to make the farm implement industry once more profitable. A new price level is in existence and the company is obliged to make and is making every effort to produce tractors and machinery at prices to attract farmers.

Nevertheless there are signs that the ice is breaking. For example, exports of Canadian farm implements and machinery during January amounted to more than double in value those of the corresponding month last year, according to the Dominion Bureau of Statistics, the United Kingdom and the United States being the two best customers. Co-incident with this announcement was the annual meeting of the Massey-Harris Co., Ltd., at which T. A. Russell, president, stated that tariff benefits resulting from the Imperial Economic Conference in Ottawa, as well as return during 1933 of the pound sterling to par in terms of the Canadian dollar, had given several lines of agricultural products advantages in the British market. He stated also that the company's plants in both Canada and the United States are now employing about twice as many men as at the same period last year.

Asbestos Corp.

I have been considering purchasing a few preferred shares in Asbestos Corp., largely on the report that the position of this company has undergone a marked improvement in recent months. Can you confirm this report of better conditions, and, at the same time, let me have your opinion on this security?

Recent reports on the operations of the Asbestos Corp. of Canada have been more encouraging. Sales of the company's products are understood to have shown a substantial increase and the income account is expected to reflect this betterment. The company has a great deal of ground to recover before placing itself in a sound position.

Sherwin-Williams

I have been considering the paint stocks as a possible medium for investment and, along those lines, would like to have a report from you on Sherwin-Williams Co. of Canada.

Sherwin-Williams of Canada's operations have been limited in recent years, due to the lack of new construction and the economies put in force by the large industrial paint users, but the company has been able to maintain a strong liquid position which will stand it in good stead when conditions become more normal. Since the beginning of the year there has been a better demand for the products manufactured by this company. In addition, the paint manufacturers are putting into effect a price increase at the beginning of April which, combined with an expected larger volume of business, should have a favorable effect upon earning power during the current year.

Standard Reliance Mtge.

What is the present position of Standard Reliance Mortgage Co.?

Assets of Standard Reliance Mortgage Corp. are now owned by Standard Reliance Assets Ltd., a company formed to liquidate the real estate holdings of the defunct Standard Reliance Mortgage Corp. for the benefit of the latter creditors.

Assets are chiefly comprised of real estate, improved and unimproved in the City of Toronto and during the past three years existing conditions have made it impossible to sell these properties. Income of the company is derived from sale of properties and payments on account of mortgages and the effect of the Ontario Mortgagors Relief Act has been to reduce income on mortgages to a large degree. The net result is that the income of the company has barely been sufficient to cover carrying charges and operating costs and there has been no surplus available for dividends. This condition will continue to exist until there is a much better demand for real estate in Toronto.

Preferred shareholders may expect to receive another 25 cents per share on account of capital and possibly a 5 or 10 cent payment on account of interest. It is improbable that any payment will be made in the immediate future. The Ontario Succession Duties Act has placed a value on the shares of 15 cents on the dollar for purposes of probate.

No annual statement of the company was issued for 1931 or 1932 due to the cost of printing and sending this report to shareholders. There is a possibility, however, that a financial statement for the three years ended in 1933 may be forwarded in the early future.

Canadian Hydro

It will be appreciated if you will let me have a review of the present position of Canadian Hydro-Electric Corp. I am considering purchasing some of this company's first preferred stock which offers a high yield.

Canadian Hydro-Electric Corp. is a holding company for Gatineau Power. The latter numbers among its customers Ontario Hydro, Canadian International Paper, Fraser Companies, Canada Cement, Ottawa Power and other large users. The financial statements of Canadian Hydro show the preferred dividend earned by a substantial margin; in 1933 the dividend was earned around three times. Recent reports indicate that there have been no adverse developments and the earning trend should be maintained if not bettered. One of the principal reasons for the low value of this stock is the company's association with International Paper and Power group. The latter has been affected by the unsettlement in the pulp and paper markets. In the last few months, however, the newsprint market has improved while sales of power have been on an upward scale. The result has been that the operating and financial position of International Paper and Power units has been on a more satisfactory basis, a fact which has been reflected in increasing values of the associated companies' securities.

Gypsum, Lime

Some friends of mine tell me that Gypsum, Lime and Alabastine sales have shown a large increase this year and the stock is a good speculative buy. Is the company in good financial shape and when is it likely to resume dividend payments?

While Gypsum, Lime and Alabastine is reported to have experienced a gain in sales, considerable room for more improvement exists before the company is again in a position to resume dividend payments on its common stock. In the last two years the company has had substantial deficits after providing for bond interest and other senior charges. The profit and loss account at the end of last November showed a deficit of $388,354. Working capital at $543,294 was the lowest reported for several years previously. The company still has a bank loan on its books.

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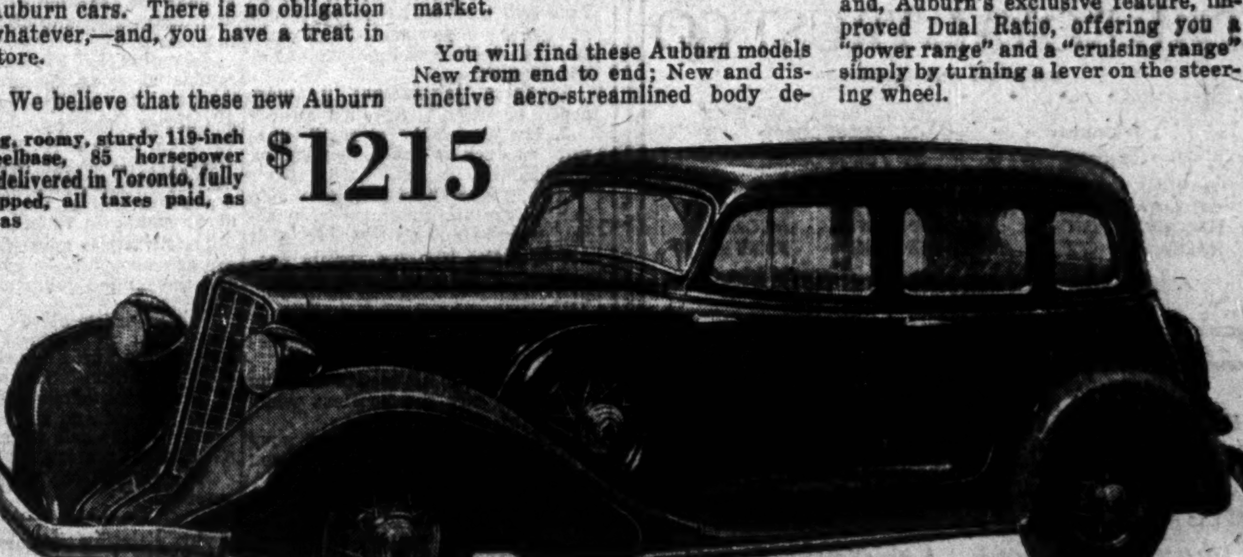

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SENATE OPPOSES DEPOSIT FEATURE OF NEW MEASURE

Insurance Act Amendments Sent Back to be Redrafted

From Our Own Correspondent

OTTAWA—Amendments to the Foreign Insurance Companies Act, introduced in the Senate by Rt. Hon. Arthur Meighen, were given short shrift last week by the Senate Banking and Commerce Committee with the result that the concessions given in the original bill to certain companies which have operated under provincial licenses are regarded as certain to fail. After a brief but stormy session, the committee ordered it to be redrafted and it will be surprising if the redraft contains the more controversial features of the original text.

Committee members made it plain that there is no likelihood of the Federal deposit system being weakened. If the provincial companies desire a Federal certificate of registry they will have to accept it upon substantially the same terms as were offered in the 1932 law.

Deposits are Issue

The point at issue concerns deposits. The Dominion in return for granting a national certificate of registry demands deposits to be held at Ottawa for the exclusive protection of Canadian policy-holders. Some of the provincial companies are prepared to make deposits but desire that they be held for the benefit of all policyholders whether in Canada or elsewhere. Under the 1932 act, such companies could obtain a Dominion certificate to operate within the particular province which had licensed them, provided the following was printed across the face of all policies:

> "This company (or exchange) being strictly mutual (or reciprocal) maintains by law all of its assets wherever situated for the benefit of all its policyholders (or subscribers) generally, without any portion of its assets being maintained for any particular class exclusively."

Not in First Draft

Under the first draft of the amending bill this provision was dropped and the Federal certificate, instead of applying only to the province which had licensed the company, was nation-wide.

In the view of members of the Senate committee, the new bill would have permitted these companies to do business under a Federal certificate without maintaining the usual deposits for the protection of Canadian policyholders and would have failed to inform the general public that this was so. The maintenance of deposits at Ottawa for the benefit of all policyholders was deemed to constitute little if any protection for the reason that these companies do much more business in other countries than in Canada. It now appears that the deposit system will be rigidly adhered to.

Property insurance, fire, earthquake, etc., is the only form of insurance which is affected by the legislation.

Million Dollar Business Resembles Corner Store

Similar Methods Provide Sound Plan for Financing Sale by Owner to Employee

By R. M. HAULTAIN

Business, large and small, has many problems in common—particularly in the development of profit-earning capacity in employees.

This article describes a plan to enable employees to buy the business on the death or retirement of the owner. The plan is applicable equally to the million dollar business as to the corner grocery.

Let us deal first with the one-man business by taking an example from what is going on every day in the typical "corner store."

Three Major Problems

We know that you, Mr. Retail Merchant, have to work long hours and that you have many problems to contend with. Here is the modern solution for several of your most important problems. This plan solves three of them together by a stroke of your pen.

You want:

1. To provide a strong incentive for your clerk to increase profits by selling the more profitable specialty that goes with the staple that Mrs. White orders. For example, if you are a grocer, you are anxious to boost sales of the spicy sauce with the cooked ham, or salad fruits with the salad dressing.

2. To keep your credit ace high with your bank and supply houses;

3. To have a cash buyer ready at all times to buy your business as a going concern at a fair valuation if you die, instead of the usual procedure of creditors forcing an auction sale.

You Mr. Merchant, are selected as an example of how this plan works because your ability, knowledge and hard work have built your business above the average. This plan is not for the below average business.

You are 38 years old and (let us say) in the grocery business. You employ Jack Brown, a married man of 30, and also a bicycle delivery boy. Your wife has been helping in the store when she can spare the time from your children and her housekeeping. Your business has just provided a bare living for your family. You value it at $8,000, including your premises, and this is the price you would like your family to get for it if you died.

You Can Prevent Auction Sale

You have seen a grocery business sold piece-meal at auction? You say you picked up your refrigerator and some of your fixtures that way? Then you know the story. You can make far better arrangements than that. You can arrange now to sell your business as a going concern, for cash, to the man to whom it means most, if you die. Jack is the logical buyer.

As he has no money beyond the cash values in his insurance policies you have never mentioned the idea to him of giving him the first chance to buy the business. If you died and he could not buy it, he would probably be out of a job when the creditors had finished with it. Have you ever seen a one-man business survive for any length of time after the owner died if no one bought it? And if it was sold as a going concern what price did it go for?

Here is how he earns the $8,000 to buy it, and (mark you) the money is paid to your wife even if you died the day after tomorrow.

Co-operating to Boost Profits

Ask Jack if he could earn a dollar a day more profit than he now does if he were guaranteed the business if you died, or if you live, $8,000 cash when you are 65. Tell him to think it over. Make out a list for him of the profitable specialties that he should show to customers ordering staples. Get him to keep it and study it. You doubtless do something of this nature anyway but the idea will grow on him through the incentive provided by this plan.

If Jack is sure, positively sure, that he would increase his specialty sales and cut down his wastage to result in a dollar a day more profit, you can lose nothing by giving the plan a trial, and you both stand to make a profit.

Tell him that you will open a bank account in trust for him and will give him a profit-sharing cheque each month based on his increase in sales. We assume that you use a cash register for separating your sales from his.

How Sale is Financed

An agreement is then drawn in which you agree to sell him the business if you die on the basis stipulated, and he agrees to buy it. The agreement is financed by an $8,000 endowment for which Jack applies on your life. His profit-sharing bank account builds up the endowment. The endowment is his, and means that he saves steadily until he has the $8,000 in cash when you are 65.

At your age of 38 Jack's profit-sharing deposits will need to be about seventy-five cents a day to carry the $8,000 endowment. This plan gets him into business in a really serious way. If he can add from five to ten dollars a day to his sales your profit-sharing plan will give you both an immediate profit in addition to the important long pull and protective aspects.

If your feeling is that he can add only from three to five dollars a day to his sales the suggestion is that the agrement for sale of the business be based on half cash, half deferred payments, financed by a $4,000 endowment calling for about forty cents a day. Even $4,000 is considerably more than your business would fetch at auction. Then, if he proves that he can earn the full seventy-five cents a day, he can increase the endowment later on to the point where it will give him the business on a clean cash sale.

The division of the extra profits produced by his extra keenness and effort is thus fair and reasonable. This plan will be the making of him as a business man, and will let you get away fishing occasionally.

Your First Step

Be sure, before you say anything to Jack, to go into the plan with the life insurance man in your community, in whose business judgment you have the most confidence, to make certain that the endowment would be obtainable if the plan goes through. It would be bad business to mention the plan to Jack and then find that you could not get the endowment. Two main factors might block the issue of the endowment:

1. Some impairment in your health of which you are not aware;

2. The "insurable interest" question, as Jack is not a member of your family.

Also, it is the life insurance man's duty to exercise judgment in Jack's insurance affairs so that Jack will not sacrifice his own family protection for the endowment on your life.

Objects Accomplished

As soon as you sign the agreement with Jack you have thus:

1. Put him on his toes to earn the money to buy the business when you retire or die;

2. Guaranteed the sale of your business to him for cash even if you died next week;

3. Strengthened the credit standing of your business in the eyes of the credit men in your supply houses;

4. Made Jack's saving of $8,000 for his later years a reality instead of a vague intention on his part;

5. Made what is undoubtedly the strongest possible financial arrangement to prevent creditors from forcing liquidation of your business at your death.

The plan should and can be financed entirely out of the extra profits stimulated by its existence.

You can use this plan equally well if your business is that of a druggist, a dry goods or hardware merchant, a butcher or a garage. It is for any type of sole-ownership business where you employ an intelligent man, where you want him to develop his profit earning capacity, and be able to pay cash for your business at your death instead of being out of a job.

Sale of Manufacturing Business

You are a manufacturer. Your business today has a net worth of $100,000. You own 80 out of the 100 shares of stock. The present value of each share is $100.

You are convinced that your right-hand man could operate the business better than any buyer in sight in the event of your premature death. You would like to see him have it. You intend to tell your shareholders that you have made an arrangement that he will buy your stock in this event, and that this stabilizing procedure is also in their best interests. How might your arrangement be worked out?

Use Sane Principles

The same principles apply as in the above sale of the grocery business, but the need for properly planned trusteeship under the agreement becomes more evident. The selection of the type of insurance to finance the agreement depends on many more factors in your case. A plan other than endowment may prove preferable, but a study of the psychology involved convinces one that the nearer the approach to endowment the more satisfactory the long pull results. Endowment compensates the right-hand man if you live through to retirement. It also enables him to buy the business when you retire.

Assuming that your wish is that your right-hand man (or men) should step into unhampered management control at your death, you would need a minimum of just over half the value of your interest in cash (in the case cited above $41,000) from the insurance policies. As the net worth of the business increases the insurance should be increased accordingly.

Steps to Take

Your course of action to put the plan into effect is as follows:

1. Get a competent life insurance man to draw up the plan;

2. Then have the doctor check you over to make sure that the insurance is available if required;

3. Then make your offer to your right-hand man, putting it plainly to him that you look forward to this arrangement resulting in the development of his profit-earning capacity which will in turn finance his endowment;

4. Then have the insurance policy issued if he accepts your offer;

5. Decide on the trustee to be appointed and turn the insurance policies and skeleton agreement over to the lawyer for completion. All doubtful points are clarified in these agreements.

The Million Dollar Business

You manage a distributing business with a net worth of a million dollars. You own 60 per cent of the stock. The business has been built on the customer shareholder idea. You are responsible to a wide list of shareholders, largely customers of the firm.

The successful continuation of the business in the event of your death is a matter of importance to them. In fact, it is a matter of importance to the town in which your business is situated, and to your retail outlets across the country. What can you do to ensure its successful continuation after your death?

Successor Should Own Stock

You probably say that your logical successor is some man now in the organization. You say that in the interests of the business he should have his eggs in the basket through stock ownership. He should have power to continue your management policies, power to make decisions, power to manage, power to command credit, etc., In fact you probably say that the ideal would most nearly be approached from every viewpoint if he could buy all your stock.

To guarantee the sale there is no stronger method than the application of the same principles employed in the sale of the grocery and manufacturing business outlined above.

The underwriting of your $600,000 interest, however, is obviously too heavy an undertaking for any but a very wealthy man. It has been done, of course, but the probability is that you will wish to negotiate the transfer of your stock with more than one of your right-hand men.

Assuming that life insurance premiums at your age are $30 per thousand, the problem becomes one of interior financing. In an organization such as yours you will have many factors to consider in weighing the pros and cons of finding the 3 per cent now or the 100 per cent at an unknown time.

The principles governing the sale are the same for the grocery store and the million dollar company.

This is article eleven of the second series on Business Insurance written for The Financial Post by R. M. Haultain. The next article of this series of eighteen will discuss the need and functions of the trustee in the sale to a partner of a business interest.

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Reprint Orders Now Exceed 11,000

Canadian reprint orders have now passed the 11,000 mark on each of these recent business insurance articles.

This is article 18 of two series.

Reprints, five cents per article, postpaid. Special price on quantity orders. Send 90 cents for the 18 articles now available or, better still, $1.25 for the complete series of 25—balance of series to be sent postpaid as published.

THE FINANCIAL POST
481 University Ave.,
Toronto

John Burgar Assumes Charge of Zurich

Gerald C. Edwards, who has for some months suffered from poor health, has tendered his resignation as manager for Canada of the Zurich General Accident and Liability Insurance Co. The affairs of the Canadian office will be handled by John H. Burgar, general superintendent of the Canadian branch, pending the appointment of a successor to Mr. Edwards.

Mr. Burgar, whose insurance career started with the Railway Passenger Assurance Co. in 1920, became associated with the Zurich in 1927 in the claims department, and upon the appointment of Mr. Edwards as assistant manager, was appointed superintendent.

IF YOU ARE THE OWNER OF A RETAIL STORE, MANUFACTURING CONCERN OR OTHER BUSINESS

Consider . . .

This plan which will

- enable your right-hand men to pay cash for your business should you die
- encourage them to increased effort
- enhance confidence in credit circles in the stability of your business

The plan is a Business Insurance Trust Agreement. The Royal Trust Company acts as trustee under agreements of this kind, and invites you to write or call for further particulars.

• • •

Business Insurance Trusts are also valuable to the stockholders in close corporations and to the partners in partnerships.

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TORONTO VANCOUVER EDMONTON MONTREAL

ONTARIO SHOWS 12% DECLINE IN AUTO VOLUME

Earned Loss Ratio Up from 47.4 to 51.1%

Preliminary figures for Ontario—banner province for automobile insurance for Canada—indicates that the decline of roughly 12 per cent in premium volume was recorded in 1933. Net premiums earned indicate a decline of more than $1,000,000 from the corresponding total of 1932, the 1933 figures being the smallest recorded in the province since 1928.

In spite of this decline in volume, the loss ratio advanced by more than three per cent standing at 51.1 on an earned basis as compared with 47.4 for all companies in the province in 1932.

Detailed Experience

The small table below shows the six year record of earned premiums and losses in the province with the loss ratio in each year, while below is shown a detailed tabulation covering the experience of each individual company in Ontario during 1933, together with comparative figures for 1932.

Automobile Insurance Experience in Ontario

	Net premiums earned $	Net losses incurred $	Ratio %
1926	3,657,994	2,037,908	55.7
1927	4,295,003	2,835,352	66.0
1928	5,670,656	3,603,260	63.5
1929	7,520,896	4,314,383	57.4
1930	8,934,508	4,378,698	49.0
1931	8,968,620	4,601,104	51.3
1932	8,017,672	3,805,268	47.4
1933*	6,792,663	3,471,770	51.1

*Covering all but three companies with a volume in 1932 of 123,000.

AUTOMOBILE INSURANCE EXPERIENCE IN ONTARIO

	Net Premiums Written 1933 $	Loss Ratio† 1933 %	Loss Ratio† 1932 %
Aetna Ins.	36	81.92	223.10
Alliance Assce.	30,617	39.46	....
Alliance Ins.	3,513	50.80	40.46
Amer. Alliance	157	58.43	....
Amer. Auto. Fire	98,261	21.83	23.92
Amer. Auto. Ins.	335,924	53.04	50.85
Amer. Home Fire	2,492	29.97	74.27
Amer. Ins.	899	18.11	5.02
Anglo-Scottish	31,529	39.47	57.00
Atlas	18,222	23.06	....
Brit. Amer. Ass'ce	70,509	31.61	45.79
British Canadian	18,606	48.19	52.15
Brit. Colonial Fire	34,831	90.56	68.98
British Empire	50,394	59.12	64.97
British General	7,710	25.94	31.40
British Oak	20,589	67.72	44.70
British Traders	25,157	45.94	31.10
Caledonian Ins'ce	1,935	37.11	9.06
Camden Fire	1,040	29.12	59.23
Canada Acc. & Fire	63,188	37.77	59.50
Canada Security	27,269	112.83	56.20
Candn. Fire Ins.	56,709	41.18	36.29
Candn. General Ins.	155,805	58.41	57.80
Candn. Indemnity	52,267	34.36	52.61
Canadian Surety	37,905	40.18	78.63
Car & General	5,502	....	77.10
Casualty Co. of Can.	49,129	55.68	49.91
Century Indemnity	582	....	69.14
Century Insurance	31,529	51.91	41.63
Commercial Union	19,911	12.96	59.04
Consol. Fire & Cas.	37,208	79.81	52.00
Continental Casual.	47,959	72.10	81.35
Cornhill Ins	34,244	55.49	46.68
County Fire	39	23.09	21.72
Dom. of Can. Gen.	287,493	42.01	36.03
Dominion Fire	6,009	22.06	81.67
Employers' Liab.	250,585	45.26	42.77
Federal Insurance	18,470	54.68	38.44
Fidelity of Canada	37,650	46.67	74.38
Fidelity-Phenix Fire	14	46.77	....
Fire Assoc. of Phil.	332	158.94	....
General Accident	175,761	38.95	28.99
General Acc., Fire & Life	22,510	37.65	39.55
General Casualty of America	9,006	36.43	60.15
General Casualty of Paris	27,952	16.04	76.86
General Exchange	128,896	45.92	40.74
General Insur. of America	2,881	3.29	25.04
Glens Falls	47,614	41.03	69.07
Globe Indemnity	99,798	37.50	54.12
Great Amer. Indem.	4,347	90.25	256.34
Great Amer. Insur.	1,771	24.73	31.66
Guardian Ins. of Canada	37,243	59.14	69.79
Guildhall Ins'ce	100,368	50.19	51.63
Hand-in-Hand	6,295	29.65	32.99
Hartford Acc. & Indemnity	37,088	83.40	53.47
Hartford Fire	7,108	27.33	25.07
Home Indemnity	129	133.48	229.66
Home Insurance	45,283	46.19	43.28
Imperial Guar. & Accident	38,689	52.66	34.09
Imperial Ins. Office	16,584	29.84	21.78
Indem. Ins. of N. A.	29,634	63.28	15.14
Insur. Co. of N. A.	10,317	9.46	23.93
Ins. Co. of State of Pa.	179	217.84	15.77
Law, Union & Rock	99,591	58.49	86.45
Legal & General	36,540	81.56	35.87
Liverpool & London & Globe	65,641	63.61	37.21
Liverpool-Manitoba	10,762	51.59	35.88
London Assurance	8,883	50.42	32.98
London-Canada	13,822	57.66	38.75
London Guar. & Acc.	111,176	68.22	42.57
London & Lanc. Gr. & Acc.	85,192	49.90	45.52
London & Lanc.	29,032	55.17	90.93
London Provincial Marine & Gen.	5,560	109.27	14.65
London & Scottish	3,881	....	165.82
Marine Insurance	1,613	39.19	50.13
Maryland Casualty	7,926	85.84	44.45
Merchants Casualty	83,878	46.20	24.57
Merchants Fire	7,056	82.11	49.94
Merchants Marine	56	22.95	8.76
Mercury	4,083	37.49	41.14
Metropolitan Cas. of N. Y.	30,948	31.24	38.30
Motor Union Ins.	25,035	40.60	51.14
Nat'l-Ben Franklin	568	58.77	74.16
Nat'l Union Fire	2,066	34.59	348.58
Newark Fire	8,568	28.84	22.11
New Hampshire Fire	1,083	53.28	32.79
N. Y. Underwriters	26	....	....
North British & Mercantile	41,970	66.06	29.67
Northern Assurance	46,687	45.57	38.16
Northwestern Nat'l	2,290	24.85	46.14
Norwich Union Fire	144,222	67.50	61.23
Occidental Fire	5,709	23.97	47.21
Ocean Acc. & Guar.	172,871	54.38	39.05
Pacific Coast Fire	31,529	46.40	57.90
Palatine Ins.	6,632	19.57	20.40
Pearl Assurance	13,291	30.93	212.04
Phoenix Assurance	23,778	43.25	64.84
Pilot	481,110	45.87	44.57
Preferred Acc. of N. Y.	767	109.81	45.64
Providence Washington	5,255	138.82	40.60
Provident Ass'ce	105,579	50.91	55.90
Provincial Ins'ce	43,464	34.39	39.70
Prudential Ass'ce	32,904	56.52	41.25
Queen	10,281	52.76	14.11
Railway Passengers	25,700	31.67	26.36
Royal Exchange	29,658	38.83	64.42
Royal Insurance	130,804	55.82	37.96
St. Paul Fire & Mar.	33,367	54.19	67.77
Saint-Paul Mercury Indemnity	4,107	144.95	48.24
Scottish Metropol.	19,297	38.40	56.36
Scottish Union & National	13,,303	39.94	58.49
Security Insur. of New Haven	1,136	8.99	48.98
Southern	10,510	45.95	47.88
Sun Insur. Office	26,370	73.53	64.24
Toronto General	140,014	33.59	41.32
Trans-Canada	75,287	81.93	59.19
Travelers Fire	20,372	16.17	15.93
Travelers Indemnity	120,405	58.71	50.29
Union Assurance	16,020	45.56	68.36
Union Fire, Acc. & General	35,019	90.07	86.13
Union Ins. Society	83,686	39.18	44.28
Union Marine & General	9,008	25.60	71.73
United British	16,912	37.55	38.66
U. S. Fidelity & Guar.	57,707	65.73	78.25
U. S. Guarantee	3,137	52.65	91.23
Wellington Fire	79,533	54.44	33.13
Western Assur.	136,342	59.03	32.17
World Fire & Mar.	124	107.82	19.09
World Marine & General	17,991	38.58	49.55
Yorkshire Ins.	44,018	86.93	35.32
Zurich Gen. Acc. & Liability	84,683	61.36	54.10
Central Mfrs.	34,704	14.30	15.62
Hardware Dealers	1,394	22.95	23.16
Lumbermen's Mutual Casualty	188,631	45.57	26.87
Lumbermen's Mutual Insurance	262	3.33	....
Minn. Implement	1,394	22.95	23.16
Nor'western Mutual	13,255	17.84	23.14
Portage la Prairie	164,044	73.66	69.68
Retail Hardware	1,394	22.95	23.16
Wawanesa Mutual	100,479	64.08	77.48
	6,371,625	51.11	47.46

†Ratio of net losses incurred to net premiums earned.

Auto Volume Down Loss Ratio Improves

Net premiums written for automobile insurance of all classes amounted in 1933 to $12,070,170, a decrease under 1932 of $2,396,448, or 16.57 per cent, according to preliminary figures published last week by G. D. Finlayson, federal superintendent of insurance.

Losses incurred amounted to $5,465,865 or 45.28 per cent of the premiums written, as compared with 51.07 per cent in 1932. Premiums earned during 1933 amounted to $13,206,675; the loss ratio on this basis being 41.39 per cent, as against 47.35 per cent on the same basis in 1932.

For the three-year period, 1931 to 1933, inclusive, the ratio of losses incurred to premiums earned is 48.65 per cent, as compared with 53.87 per cent for the period 1930 to 1932, inclusive.

Fire Insurance Volume Lower Losses Fewer

Fire insurance premiums written in Canada during 1933 decreased by $5,260,449, or 10.93 per cent below the amount written in 1932, the total for 1933 being, after deducting registered reinsurance, $42,848,958 according to preliminary figures compiled by the federal insurance department at Ottawa. Of this amount Canadian companies wrote $9,255,297, British companies $18,573,081, and foreign companies $15,020,580, these amounts being less than the corresponding amounts for 1932 by four per cent, nine per cent and 16.8 per cent respectively.

Losses incurred, less registered reinsurance, decreased from $30,896,493 in 1932 to $22,827,483 in 1933, the average ratio of losses to premiums written being for 1933, 53.27 per cent as compared with 64.22 per cent for 1932. The ratio for Canadian companies was 48.20 per cent, for British companies 53.70 per cent and for foreign companies 55.88 per cent. Adjusting the written premiums for the reduction in unearned premium reserve the ratio of losses incurred to premiums earned is 48.06 per cent, being for Canadian companies 44.15 per cent, for British companies 48.75 per cent and for foreign companies 49.18 per cent.

The loss ratio by provinces is shown below:

Fire Loss Ratio by Provinces

	1933 %	1932 %
Alberta	37.56	55.41
B. C.	32.73	59.52
Man.	32.04	33.49
N. B.	103.03	54.36
N. S.	69.53	61.76
Ont.	51.90	66.47
P. E. I.	42.03	132.46
Que.	68.95	83.60
Sask.	36.83	38.82
Yukon	.16	.77

Defaults in Ontario

Sackville Tribune.—There seems to be an epidemic of municipal defaulting in the alleged banner province of Canada, Ontario. According to The Financial Post one hundred million dollars are now involved or about one fifth of the municipal bond indebtedness of that province. This is a most serious situation and it is likely that the end is not yet. Sometimes I think that a new beatitude should be added to the list something like the following: "Blessed are they whose credit is gone, for they can borrow no more."

Some of us are good, not from choice, but from necessity and the same may in the future be true of towns, municipalities, provinces and dominions. When default comes in at the door, credit flies out of the window, with the result that the defaulting municipalities will be obliged to live within their incomes for no bank or money lender will be caught twice with the same bait. The unfortunate thing about it is the unfavorable publicity, which is received, not only by the defaulting municipalities themselves, but by the province and Canada as a whole. Investors are apt to mix up towns, municipalities, provinces and the Dominion, with the result that the credit, even of non-offenders, is besmirched and impaired.

So far as I know there has been as yet no municipal defaulting in the Maritime Provinces, for which mercy let us be deeply and truly thankful.

WAWANESA SHOWS IMPROVED RATIO LOWER VOLUME

Small Underwriting Profit is Shown in 38th Report

A decline of 22 per cent in gross premium income but a considerable improvement in underwriting and profit and loss is reported in the 38th annual report of the Wawanesa Mutual Insurance Co. for 1933—largest fire mutual in Canada. Gross premium income is lower by $350,000 at $1,240,000 while earned loss ratio at 53.7 per cent is reported as a decrease of four per cent from the corresponding figure of 1932.

Total assets are only slightly lower than the figure carried forward in the 1932 insurance blue book. Unpaid assessments are lower at $112,000 compared with $175,000 a year ago while amounts at which bonds, debentures and mortgages are carried are down by $70,000. Cash on hand and in banks is substantially higher at $117,000.

An important feature of the statement is that in place of an underwriting loss of $121,000 reported a year ago, the company shows a gain of $1,000 on 1933 underwriting. Surplus is higher by $15,000 after writing off $35,000 to securities account, and now stands at $568,000.

Comparative figures for the past two years follow. The 1932 figures are taken from the Ontario insurance blue book.

	1933 $	1932 $
Gross prem. income	1,239,675	1,597,914
Net prem. earned	949,763	1,013,215
Net losses	510,499	585,473
Earned ratio	53.7%	57.7%
Total assets	1,195,431	1,201,869
Underwriting gain	1,229	*121,250
Surplus	568,072	562,055

*Loss. †Fire and automobile coverage only.

NEW WAGE LAWS FOR INDUSTRIES PLANNED IN B. C.

Premier Pattullo's New Deal Now Being Framed for Action

From Our Own Correspondent

VANCOUVER.—Drastic new labor legislation, designed to effect one important pledge in Premier Pattullo's New Deal, is now being framed for action at the present session of the British Columbia Legislature.

Minimum wage legislation will be enacted to cover every industry in the province, without exception. Under the terms of the new law youths from 18 to 21 years old will be placed under the same protection as is afforded by the Women's Minimum Wage Act. This is planned as a means of counteracting the present tendency in some industries to replace women by employing boys at low wages.

The new Male Minimum Wage Act will replace the old legislation entirely. The old law was so hedged about by restrictions that it was practically unenforceable.

To enforce the new legislation it is proposed to create an industrial relations board.

This board will be composed of Adam Bell, Deputy Minister of Labor; Dr. W. A. Carrothers, chairman of the economic council; a woman, a representative of the employers and a representative of the workers.

M. W. McCUTCHEON, B.A., A.A.S.

A. H. Beaton, President of The National Life Assurance Co. of Canada, announces the appointment of Mr. M. W. McCutcheon as Assistant to the President. Mr. McCutcheon is a graduate of the University of Toronto, an Associate of the Actuarial Society of America, and is a graduate of Osgoode Hall. Since being called to the Bar in 1930, and up to the time of his appointment to the above mentioned important post, Mr. McCutcheon has been associated with the well known legal firm of Osler, Hoskin and Harcourt.

B. C. WILL CHANGE BASIS OF RELIEF FOR MORTGAGORS

Would Set Up Tribunals for Arbitration — No Blanket Revision

From Our Own Correspondent

VANCOUVER — Increased protections for mortgagees and mortgagors is the aim of legislation to be introduced at the present session of the British Columbia legislature. Attorney-general Gordon Sloan is asking for authority to modify any mortgage contract through the instrumentality of tribunals which will have power to amend both principal and interest payments.

Court registrars in all court registries will act as arbitrators between mortgagors and mortgagees. Where a mortgagor asserts that he cannot meet an interest or principal payment, he will be able to go before a court registrar who will then call in the mortgagee. The three will then go into conference with a view to working out a plan of settlement that will be mutually satisfactory. Mr. Sloan believes that separate handling of each case like this will be an improvement over a plan for wholesale and blanket revision. The registrar will make his recommendation to the courts in whose hands final decision will rest.

Payments Deferred

Proceedings before the registrars will be free, whereas application concerning mortgage foreclosures and relief now cost the applicants heavily. In no case will the mortgage contract be actually broken. Payments will simply be deferred until the mortgagor is able to meet them. As the circumstances of the mortgagor improve, the mortgagee will be able to apply for revision of the temporary arrangements made by the court.

The new adjustment scheme does not include taxes. Mortgagors must keep up the payment of their land and improvement taxes or foreclosure will follow.

The present moratorium bill will be repealed and the new arrangements substituted. Mortgages signed since April, 1932, are not affected by the old law or by the new legislation.

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CANADA'S LARGEST FIRE MUTUAL

FIRE WINDSTORM SPRINKLER LEAKAGE AUTOMOBILE
LIABILITY DOCTORS AND DENTISTS LIABILITY PLATE GLASS

BALANCE SHEET—December 31, 1933

ASSETS

Real Estate		$108,269.54
Mortgage Loans	$144,040.84	
Bonds and Debentures	449,553.07	
Stocks	105,366.28	
Guaranteed Investment Receipt	10,000.00	
		708,960.19
Cash on Hand and in Banks		116,951.89
Interest due and accrued		27,117.21
Agents' Balances		97,400.94
Unpaid Assessments 1933		112,353.79
Re-Insurance Excess Lloyds		11,682.24
Amt. due from Re-Ins. on Losses already paid		12,030.34
Rents due and accrued		570.65
Accounts Receivable		93.96
		$1,195,430.75

LIABILITIES

Provision for unpaid claims	$ 79,337.68
Reserve of Unearned Prems. 80%	466,865.93
Reserve for Unlicensed Re-Ins.	218.86
Accrued Taxes	17,000.00
Re-Insurance Premiums	22,494.18
Reserve for Treaty Re-Ins.	35,787.59
Accounts Payable	5,654.39
SURPLUS	568,072.12
	$1,195,430.75

Unassessed Premium Notes $1,363,730.75

C. M. VANSTONE, Managing Director
E. L. McDONALD, Secretary-Treasurer

Gross Premiums Written 1933 .... $1,239,675.36
Net Premiums Earned 1933 .... 949,762.85
Net Losses and Adjusting Expenses 510,498.90
Loss Ratio 53.7% To Earned Prems. Decrease during year 4%.
Insurance in Force — over $243,000,000.00

ABSOLUTE SECURITY BROADEST POLICY LOWEST COST

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BRANCH OFFICES:
Toronto, Ont. .... 341 Church St.
Montreal, Que. .... 465 St. John St.
Winnipeg, Man. .... Avenue Bldg., Portage Ave.
Vancouver, B.C. .... 312 Metropolitan Bldg.
Edmonton, Alta. .... Edmonton, Alta.
Regina, Sask. .... 620 Broder Bldg.

Bank Chat on Current Topics

Should Bankers Be Barred?

THE future of the Bank of Canada will depend in great measure upon the ability and experience of the management, i.e., the governor and deputy governor, and the freedom of the management from political interference for good banking practice is a matter of good bankers rather than good banking legislation. Good bankers are not born but are made and the making requires, under our present system, a long apprenticeship.

It is highly desirable that the governor or the deputy governor, or both, should be Canadians providing that men of the necessary experience in the operations of a central bank can be found. There is no good reason why a Canadian banker should not direct the destiny of the central bank and the fact that his banking experience was gained with one of the existing chartered banks should not disqualify an otherwise satisfactory candidate.

One of the most essential qualifications of the first governor of the Bank of Canada is a strong character. His position during the formative years of the bank will be one that few will envy. Upon his ability to lay down and follow a sound policy for the bank will rest the success or failure of the institution. Possibly no man in Canada will be subjected to more pressure or will receive more comment in the press and it will require a strong man to steer a straight course.

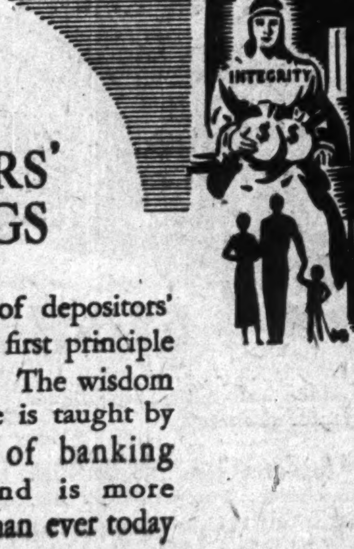
It is interesting to note that while all nine members of the Board of the Bank of Canada must be British subjects only the seven directors must be ordinarily resident in Canada. The governor and deputy governor must be men of proven banking experience and devote their entire time to their duties but apparently the assistant deputy governor, if such is appointed, may not have banking experience nor must he devote his full time to his position providing he does not hold a civil service position and is not employed by a bank or financial institution. These officials cannot be interested as shareholders in any chartered bank but other directors are permitted to invest in shares of chartered banks although they may not be directors or officers of the commercial banks.

* * *

Hidden Reserves

THE action of five of the Canadian banks in reducing their capital reserves by a total of $29,500,000 at the end of their last fiscal year in order to increase or replenish inner reserves was defended in part by quoting the precedent established by many of the largest and oldest British banks which did the same thing in 1932 and 1933. More than usual interest attaches therefore to the comment of the City Editor of the Manchester Guardian included in a survey of British Banking contained in the Annual Review of Trade and Commerce issued by that paper. The comment is reproduced from The Canadian Chartered Accountant as follows:

> "With the approval of many people including some prominent accountants, the banks hold large secret reserves. They have in the course of years, carefully minimized their declared profits, and have used the undeclared profits to write off assets which are consequently shown at much less than market value . . . . The case for piling up secret reserves is that a bank should be able to meet certain losses without revealing the fact to the public. If, as soon as the brilliant financier Mr. 'X. Y. Z.' is revealed to the world as a forger, the Wessex & Central Banks begin calling in loans, people will begin to wonder whether those great institutions may not have loaned large sums to Mr. 'X. Y. Z.' against forged bonds of the 'A. B. C. Gas Board.' They may think it desirable, as a precaution, to remove their credit balances to the Metropolitan & General Bank. But if the Wessex & Central can simply write up their investments or advances by a few of the millions previously written off, they can defer to a later period (or to the Greek Calends) showing any cognizance of Mr. 'X. Y. Z.'s' financial flightiness, and the banking public will be left untroubled. On the other hand, if the bank's secret reserves are known only, as the head of a great institution once remarked, "to myself, to Almighty God, and to one or two others," the public may cease altogether to discriminate between one bank and another. The annual profit, the balance sheets, will be viewed as a mere façade: it will be assumed that all banks are equally in a position to meet any sort of difficulty."



DEPOSITORS' SAVINGS

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Capital and Reserves: $15,000,000

FRANK A. ROLPH, President

Col. J. F. Michie, Vice-President R. S. Waldie, Vice-President

A. E. Phipps, General Manager

BRANCHES THROUGHOUT CANADA

Current Events in Banking World

MORE CREDIT IS NECESSARY TO U.S. PLANS

Proposals Constitute Threat to Commercial Banks

GOVT. IN BANKING

Bankers Claim Demand for Loans is Comparatively Small

From Our Own Correspondent

WASHINGTON.—If the recovery movement is to continue and increase in the United States, the greatest need is to find ways of pumping credit out to the persons who can use it, in the view of ranking officials of the administration. It is because of this need, rather than on the basis of any reform concept, or desire to forward a social programme, that talk in Washington now centres upon new extensions of governmental banking activities—of setting up banks which will supply industry with intermediate-term credit and a federally-owned bank to handle municipal credit.

Under a third scheme, also receiving serious study, the Government would guarantee in part new loans made by existing banks to industrial clients.

Threat to Bankers

These proposals, in their present form, excepting the one for a bank for municipalities, probably represent nothing more than a threat being held over the heads of private bankers. It is quite sure, however, that they will be acted upon, unless the bankers accept the highly emphatic hint that there is to be still further nationalization of credit if they fail to widen their activities to the point that President Roosevelt considers advisable.

It is safe to say that the President believes his recovery programme, which is now in a very questionable condition, despite the occasional favorable indices that can be cited, would have been an almost unqualified success if the stagnation of credit had not acted as a severe brake upon activity. He has called this condition "one of the severest problems,' and made it clear that he thinks much blame rests with the bankers.

Demand is Small

The banks in the Federal Reserve system argue that they have no desire to sit back and function only as depositories while they have excess reserves amounting to about a billion dollars. If they could swing this fund into profitable action they would be able to support credit of almost ten times as much. Profit-making depends upon their ability to do so. But, they hold, there is only limited demand for this credit, and much of the demand that exists is unsound.

Mr. Roosevelt thinks that the banks, in holding to this position, are but confessing that they are still held in the grip of old fears, which should have been discarded long ago. He sees that there has been a certain upward movement in some branches of industry and trade and realizes that the "manipulated recovery" he is seeking will become possible only if that trend is maintained and accelerated.

If credit can be made even one-half so easy as it was before the depression, the President believes the problem of re-employment will be solved. One requirement, as he sees it, is to have credit made available to the heavy or production goods industries and to the construction industry, which have not yet responded to the recovery movement.

Governments May Lead

The warnings — or perhaps they should be called threats — that have been issued to the bankers are scarcely new. Jesse H. Jones, chairman of the Reconstruction Finance Corp., has held repeatedly that "if the banker fails to grasp his opportunity and to meet his responsibility, there can be but one alternative—government lending." The new thing is the way in which the government, dissatisfied with the response received, is planning mechanism which could make such lending a fact.

The regional, intermediate-term credit banks being considered would operate through the Federal Reserve System, and on much the same basis as the Agricultural Credit Corporation. Loans would be for terms ranging up to five years. The system will be, if created, a practical proof that the administration believed what it said when, speaking through Mr. Jones, it told the bankers that "too strict credit rules and too short maturities will greatly hinder recovery."

This development only seems probable but the establishment of a government bank for municipalities appears almost as a certainty. The Treasury and R.F.C. have called on Prof. Simeon D. Leland, of University of Chicago, to study the difficulties and, since the opinions Prof. Leland holds on this question are already solidly-formed and well-known, the likelihood is that his programme will be adopted.

Under Dr. Leland's plan, municipalities would place their deposits with a government institution, at a somewhat higher interest rate than the customary 1½ per cent now being paid in a large part of the country, and would also find in the new bank a fountain of credit. At present few of the cities that can get loans on any terms—and they are, relatively, very few—can get money on any better terms than 6 per cent., while Mr. Roosevelt has held that municipalities should not need to pay more than about 3 per cent.

One of the most interesting features of Prof. Leland's scheme is that any city which defaulted on obligations to the new bank would be compelled to place its finances in the hands of a federal tax receiver. Prof. Leland has long been an advocate of greater centralization of government, thinks the state system of rule is cumbersome and costly and believes there are too many municipal subdivisions. It is a little bit astonishing to find his position winning favor while the democratic party is in power, since this has always been the "states' rights" party.

Secretary of Treasury Henry Morgenthau, Jr., in discussing with The Financial Post the municipal bank plan, argued that the municipalities have annual spending power of $6,000,000,000. In this circumstance, and regardless of whether state or civic rights are infringed, he holds it is essential to guard this buying structure against collapse.

Says Banks Are Weakest Link

Since President Roosevelt accepts the view that credit stagnation is the chief stumbling block in the way of his programme—both in terms of immediate recovery and eventual reform—it is not unsound to paraphrase his view as being: "In other countries the banks are the strong link in the chain of economic activity but in the United States they are still the weakest one."

In weighing the importance of this position it is almost beside the point to recall that the bankers have a very sound case to advance in defence of their present policies. They are a very small section in a large population which is almost unanimously inclined to favor anything Mr. Roosevelt favors. If the President says: "The bankers are still afraid of their own shadows, are not living up to their trust, and are doing grave damages to the country," the general public, without pausing to think, will agree. It appears, therefore, that the bankers must inevitably capitulate to the Rooseveltian plans for pumping out credit, or else be deprived of their functions.

Even though there is no attentive audience for their arguments, however, the bankers are stressing the evidence recently submitted by W. Randolph Burgess, deputy governor of the Federal Reserve Bank of New York, that the banks have not been "niggardly." Since 1931, he pointed out, the reserve system has had wide latitude but little success in making loans to individual borrowers.

"We made every endeavor to extend credit wherever it could be done safely," he stated. "From the middle of 1932 until the end of 1933 we received 1,286 applications. We found only 250 applications had sufficient merit to call for detailed investigation. These 250 involved a sum of only $9,525,000. We decided we could properly run the risk of making loans to 14 borrowers, involving a total commitment of $1,417,000 of which $806,000 was actually borrowed. Not quite half of this has been paid off. Two concerns have since gone in receivership."

In face of such contention the administration still holds that the agencies of recovery it has put in motion are adequate to achieve their purpose, if ample credit is provided. The bankers may argue as they will, but it is safe to presume they will either loosen their credit regulations greatly before spring, or else several new varieties of governmental banks, now being planned on paper, will be swung into action, and the administration will displace private bankers, in large measure, as the dispenser of credit, and will do it generously.

Banking leaders bitterly resent the imputation that they are lagging behind in their contribution to the recovery programme. They contend that no good borrower is being turned down. They point out that most of the loans that are being refused are loans for capital expenditure which banks can not properly finance until permanent funding of the debt by issuance of bonds or stocks is in prospect. And the issuance of new securities has been throttled by the securities legislation.

The banks sense some grim humor in the situation, their situation.

Smarting from allegations that they loaned too freely, too loosely in the past, derided and punished for lack of caution, they are now condemned for not loaning more freely.

Bank of Canada Will Start With Assets of $177,000,000

Balance Sheet at End of First Day Will Give Effect to Taking Over Note Issue — Dominion Government's Banking Business and Reserve from Banks

On the day that it is authorized to commence business Canada's new central bank, the Bank of Canada, will have minimum assets of $177,798,484 with the probability that assets will exceed $250,000,000. A preliminary balance sheet for the bank can be drawn at this time but the total of assets and liabilities are governed by several factors that cannot be determined at this time. If gold is taken over at the rate of $35 per ounce rather than the standard of $20.67 there will be a difference of almost $80,000,000. If all the provinces immediately appoint the Bank of Canada their banker there will be an increase of over $20,000,000 of assets and liabilities in the banks' balance sheet. Balances that the commercial banks will maintain with the central bank over and above the statutory reserve of 5 per cent of their domestic deposit liabilities have yet to be decided.

Predicated on the assumption that the Bank of Canada will take over gold held by the Dominion Government and the chartered banks on a basis of $20.67 per oz.; that the provinces will not immediately rush to the central bank with their accounts which will be left for the time being with the chartered banks and that the chartered banks will deposit with the Bank of Canada, in addition to the statutory 5 per cent on their deposit liabilities, an additional reserve of $8,666,100 to provide for fluctuations in deposits; the skeleton balance sheet of the Bank of Canada at the end of its first day of operation will be somewhat as follows:

Assets		Liabilities	
Gold coin and bullion	$115,143,851	Notes in circulation	$ 32,294,848
Dominion of Canada 3% bonds due 1938	62,654,633	Deposits:	
		Dominion Government	23,191,444
		Chartered banks	117,312,192
		Capital	5,000,000
	$177,798,484		$177,798,484

The above balance sheet is reduced to its simplest form and is the net result of the various transactions that the governor of the central bank will supervise during the first day of the bank's operation. The figures used are those of January 31, 1934, and there will necessarily be some change in the amount of gold held by the banks and the Dominion, in the volume of Dominion notes in circulation and in the volume of bank deposits before the central bank is ready to open for business. The steps that must be taken before this balance sheet can be drawn are indicated in the subsequent statement of assets and liabilities.

Note Issue Chief Item

The first step to be taken is the sale of $5,000,000 of capital stock at par and it is presumed that this stock will be paid in full by cheque when the bank opens. This sets up a liability of $5,000,000 on shares outstanding and a similar amount due from the chartered banks.

On the day that the Bank of Canada is authorized to transact business it will take over from the Federal Government the note issue of the Dominion which amounted to $132,294,848 at January 31, 1934, exclusive of notes issued under the Finance Act. The bank will receive the gold holdings of the Dominion, amounting to $69,640,215, and for the balance of the note liability, amounting to $62,654,633, will receive Dominion of Canada 3 per cent bonds maturing in 1938. If gold is revalued at $35 an ounce before the bank acquires it the value of gold received from the Government would be $117,914,350 and notes $14,380,498. At the same time gold held by the chartered banks in Canada will be taken over. At January 31, 1934, the banks held $45,503,636 in gold. This becomes an asset of the central bank while among its liabilities the same amount is credited to the chartered banks.

Will Provide Cushion

At the end of January savings and demand deposits of the chartered banks totalled $1,826,678,047 in Canada and on the first day that the central bank does business the chartered banks must deposit with it a reserve amounting to 5 per cent of their deposit liabilities, or $91,333,900. Since deposits fluctuate and there are strict penalties for not maintaining the reserve at 5 per cent it will be necessary for the chartered banks to deposit more than this amount and $8,666,100 has been allowed as a cushion. Many bankers believe that this is far from sufficient and that the cushion may be increased substantially over the amount allowed here.

The banks owed the Dominion Government $23,191,444 at the end of January and since the Bank of Canada is to immediately become the banker for the Dominion Government it will debit the banks and credit the Dominion with this amount. Provision has not been made for the Bank of Canada acquiring the business of the provinces on its first day of operation although this may develop later.

The balance sheet which gives effect to the setting up of the above items can be materially simplified to show net balances as in the above statement. It is assumed that the banks will turn in Dominion notes to the amount of $100,000,000 in settlement of their reserve requirements and that these notes will be held in the treasury of the central bank thereby reducing its outstanding note obligations to $32,294,848 or approximately the amount of $1 and $2 denomination notes outstanding at the present time.

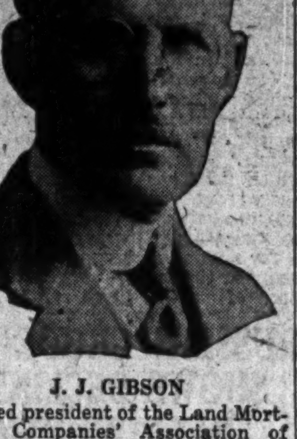
The following balance sheet gives effect to each of the steps enumerated above:

Assets		Liabilities	
Due from chartered banks	$ 5,000,000	Capital	$ 5,000,000
Gold from Dominion	69,640,215	Dominion notes	132,294,848
Dominion of Canada 3% bonds due 1938	62,654,633	Due to banks	45,503,636
Gold from banks	45,503,636		
Reserve of chartered banks amounting to 5% on deposits	91,333,900	Due to banks	100,000,000
Additional reserve	8,666,100		
Due from banks:			
Re: Dominion	23,191,444	Due to Dominion	23,191,444
	$305,989,928		$305,989,928

Obituary

Col T. R. Mayberry—Died suddenly of heart attack on March 10, at Ingersoll, Ont., in his eightieth year. A native and life-long resident of Oxford County he served in almost every office within the gift of the residents of the county, including many years as Liberal member in the Provincial Legislature. At the time of his death he was still active after 40 years as manager and secretary of the Dereham & West Oxford Mutual Fire Insurance Co. He was commander of the 24th Regiment, Grey's Horse, retiring with the rank of Colonel, following the World War.

Heads Loan Ass'n



J. J. GIBSON

Elected president of the Land Mortgage Companies' Association of Ontario at the recent annual meeting. Mr. Gibson is vice-president and general manager of the Chartered Trust & Executor Co.

GOLD ARBITRAGE IS PROFITABLE VOLUME IS HEAVY

February Receipts by U. S. $390,084,000 — Flow Stopped

From The American Banker

Since the passage of the "gold bill" and President Roosevelt's proclamation reducing the gold content of the dollar to 59.06 per cent of its former amount, there has been a constant flow of gold to the United States which, it is estimated, may amount to $300,000,000 before the month of February is over.

This flow of gold has caused widespread interest in the arbitrage operations which result in these shipments of gold both from London to New York and from Paris to New York and in the risks which are involved in such transactions.

The French franc has been at a discount from its gold parity with the revalued dollar. The new parity of the French franc is 6.637 cents. However, last week the highest the franc reached was 6.54 cents. The Bank of France is still supplying gold bars in exchange for its bank notes and deposit credits for 200,000 francs or over. It has been doing a few things to annoy arbitrageurs, such as demanding 48 hours notice to deliver the gold and also issuing bars of .900 fineness instead of bars of pure gold. However, these measures do nothing but make arbitraging more difficult. They are not sufficient to stop arbitraging as long as the franc is sufficiently below its parity to provide large profits for the arbitrageurs.

Market Assured

To effect an arbitrage transaction in gold between France and the United States, the arbitrageur must buy sufficient francs, then he must withdraw the gold from the Bank of France and arrange for its shipment to America. He is sure that he can get $35 per ounce at the New York Assay office, less one quarter of one per cent minting charge.

When he buys his francs he takes the risk that the Bank of France may cease to pay out gold before he can convert his francs into gold. This risk is important. When England went off the gold standard in 1931 several arbitrageurs found themselves tied up with pounds which they had intended to convert into gold, with those pounds depreciating very rapidly and no possible hedge.

It will be seen that in working a gold arbitrage shipment, the first thing is to obtain francs. As long as gold arbitrages are possible, they create a demand for francs and will have a tendency to put up the rate for francs.

Difficult to Ease Credit

There is one way that the Bank of France can help shut off the export of gold besides going off the gold standard: That is by restricting credit and making it hard to get francs. In that way the franc would be pushed toward its new parity with the revalued dollar and arbitrage transactions would not be possible. The "fly in the ointment," however, is that the French government is running a deficit and therefore needs to borrow money, and in order to borrow money it needs easy credit.

Cheaper in London

For the most part the price of bar gold in London has been about 50 cents an ounce cheaper than our $35 per ounce bid on this side of the water.

The expenses of shipping 100,000 ounces of gold to the United States are estimated as follows in pounds:

	£	s.	d.
Freight 5s. 6d. per £100 on £695,000	1,912	1	6
Insurance 1s. per £100 on £700,000	350	0	0
Interest 1% for 8 days	152	8	0
Boxes, packing, incidentals in New York	50	0	0
Total	2,464	9	6

This amounts to about $12,300, so that when the price of bar gold in London is only equivalent to $34.50 per ounce, the profit on a purchase of 100,000 ounces, $3,500,000 in gold, would be $50,000

Less

Expenses of shipping 12,300

¼% Minting charge 8,750

Net profit $29,000

For conditions to be such in the United States that we do not receive gold from London, the price of bar gold in London in terms of dollars must stay above $34.75 per ounce. Otherwise, the arbitrage becomes profitable. Of course, the real key to the gold situation is in France, Holland and Switzerland because, until they prohibit the export of gold, both London and New York can draw from them as they are doing today.

At the end of February the price of bar gold in London rose to a point where it was no longer profitable to ship to New York. During the month of February, however, United States gold imports totalled $390,084,000, $47,118,000 in the second week, $133,408,000 in the third week and $208,458,000 in the fourth week. Of the month's total $212,669,000 was shipped from England, $100,711,000 from France and $35,540,000 from Holland. In addition a substantial amount of gold held in the United States was released from earmark.

Foreign Exchange

FLOW of American and British investment funds to Canada continued the most important influence on the Canadian dollar in the week ended March 12. Consequently Canadian funds were at practically par in New York. As long as this influence continues, and strength of sterling at New York persists, authorities expect to see the Canadian dollar display firmness.

The position of sterling, one of the most important influences on the Canadian dollar, is still indeterminate. Sterling appears to be pegged against francs. The exchange rates and gold prices in London, Paris and New York have indicated the franc at about parity with the London metal price. But American funds appear to be too high. If London is to devalue sterling on the same basis as the dollar, the price of gold in London and the London exchange rate on Paris should be expected to rise; and sterling should decline in Canada and New York. This, it is believed, would, at least temporarily, be a weakening influence on the Canadian dollar.

FOREIGN EXCHANGE

New York Funds

	High (Premium)	Low (Premium)	Last Year High (Premium)	Last Year Low (Premium)
	%	%	%	%
Mar. 6	[illegible]	3/16	..	..
Mar. 7	7/16	3/32	..	..
Mar. 8	3/8	1/16	..	..
Mar. 9	3/16	3/32	..	..
Mar. 10	3/16	1/8	..	..
Mar. 12	1/32	*1/32	..	..

*Discount.

STERLING, FRANCS AND LIRE

Close: Demand in New York

	Sterling	Francs	Lire
Gold par	$4.866	$0.03918	$0.0526
Mar. 6	5.07¾	.0658¼	.0859
Mar. 7	5.08¼	.0658	.0858
Mar. 8	5.08	.0658	.0857
Mar. 9	5.08¼	.0658	.0856½
Mar. 10	5.08	.0658¼	.0857
Mar. 12	5.10⅝	.0658½	.0857½

Close: Demand in Toronto

	Sterling	Francs	Lire
Gold par	$4.866	$0.03918	$0.0326
Mar. 6	5.10¼	0.0661¼	0.0862¾
Mar. 7	5.10½	0.0660	0.0860
Mar. 8	5.09¾	0.0660½	0.0860
Mar. 9	5.09⅛	0.0661	0.0859
Mar. 10	5.08½	0.0659	0.0858
Mar. 12	5.10¼	0.0659	0.0859

	Reichsmarks	Belga	Yen
Gold par	$0.238	$0.139	$0.498
Mar. 6	0.3990	.02345	0.3070
Mar. 7	0.3980½	.02341	0.3050
Mar. 8	0.3982	.02340	0.3052
Mar. 9	0.3980	.02337	0.3023
Mar. 10	0.3975	.02335	0.3044
Mar. 12	0.3976	.02334	0.3026

W. Hastie is President Dominion Mortgage Ass'n

William Hastie, assistant general manager and treasurer of the Canada Life Assurance Co., was elected president of the Dominion Mortgage & Investments Association at the annual meeting held on March 8, while T. H. Main, vice-president and manager of the Ontario Loan & Debenture Co., was elected first vice-president of the association and E. B. Stockdale, vice-president and general manager of the Trusts & Guarantee Co., was elected second vice-president. W. G. Watson is the past president and E. M. Saunders, honorary president.

The executive of the association in addition to the above officers is as follows:

Insurance Companies: S. E. Cork, Confederation Life Association; H. W. K. Hale, Sun Life Assurance Co.; D. E. Kilgour, North American Life Assurance Co.; J. H. Lithgow, Manufacturers Life Insurance Co.; A. McPherson, London Life Insurance Co.; W. H. Somerville, Mutual Life Assurance Co.; J. F. Weston, Imperial Life Assurance Co.

Loan Companies: R. P. Baker, Huron & Erie Mortgage Corp.; M. Pasquin, Credit Foncier Franco-Canadien; H. M. Patterson, Landed Banking & Loan Co.; J. M. Purcell, Guelph & Ontario Investment & Savings Society; George H. Smith, Canada Permanent Mortgage Corp.; R. C. Young, Trust & Loan Co. of Canada.

Trust Companies: J. C. Breckenridge, National Trust Co.; J. J. Gibson, Chartered Trust & Executor Co.; R. P. Jellett, Royal Trust Co.; E. T. B. Pennefather, Capital Trust Corp.; C. E. Weeks, Victoria Trust & Savings Co.; P. V. Wilson, Waterloo Trust & Savings Co.

J. J. Gibson Will Head Land Mortgage Body

J. J. Gibson, vice-president and general manager of the Chartered Trust & Executor Co., was elected president of the Land Mortgage Companies' Association of Ontario at the annual meeting held on March 8. He succeeds R. P. Baker, of the Huron & Erie Mortgage Corp. L. A. Winter, treasurer of the Manufacturers Life Insurance Co., was elected first vice-president and C. S. Robertson, Canada Permanent Mortgage Corp., was elected second vice-president. T. D'Arcy Leonard continues as secretary-treasurer.

In addition to the above officers the executive of the association includes: T. H. Main, London; W. J. Helm, Port Hope; C. E. Weeks, Lindsay; W. H. Gregory, Stratford; W. H. Somerville, Waterloo; Walter Gillespie, J. C. Breckenridge, W. G. Watson, H. S. Awrey, R. E. Woodcock, S. E. Cork, H. T. Roesler, Toronto.

H. A. Howard is Promoted By Trusts & Guarantee Co.

H. A. Howard, manager for the Trusts & Guarantee Co., at Calgary, for the past 22 years, has been appointed assistant general manager of the company in charge of western branches. Mr. Howard has been a director of the company for some years.

With the acquisition of the assets of the Union Trust Co. by Trusts & Guarantee Co., Mr. Howard will now have charge of business in Manitoba, Saskatchewan and Alberta.

Stavely Apts. Earned $3,140 in Year Ended Jan. 31, 1934

A letter to bondholders and owners of deposited bonds of Stavely Apartments gives earnings figures for the year ended Jan. 31, 1934, showing net earnings of $3,140 available for first mortgage bonds. The letter requests deposits of additional bonds with the protective committee.

Rentals for the four months ended Jan. 31, 1934, are shown as $3,592, and expenses $2,061, leaving $1,531 to be added to the amount in the receivers' hands. This totalled $3,184 at Jan. 31.

Annual earnings compare:

STAVELY APARTMENTS EARNINGS
Years Ended Jan. 31

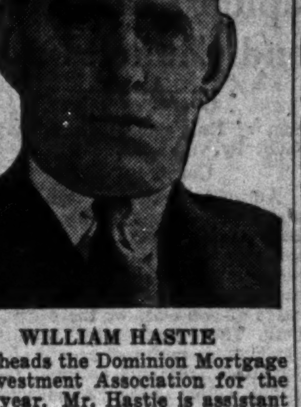
	Gross	Expenses	Net
	$	$	$
1934	9,812	6,672	3,140
1933	10,947	7,485	3,462
1932	15,548	10,159	5,389

Frost Steel and Wire Buy Can. Steel Inventories

From Our Own Correspondent

MONTREAL.—Inventories of Canadian Steel Corp. at Ojibway, Hamilton and Winnipeg, have been taken over by the Frost Steel and Wire Co. Materials comprise a complete line of farm, poultry and lawn fences, gates, posts, barbed wire and staples, which will be marketed to the hardware trade generally in the usual way.

New President



WILLIAM HASTIE

Who heads the Dominion Mortgage & Investment Association for the next year. Mr. Hastie is assistant general manager and treasurer of the Canada Life Assurance Co. and who was last month elected a director of the Colonization Finance Corp.

Montreal Loan Meeting Along Routine Lines

From Our Own Correspondent

MONTREAL.—Financial report and other statements were adopted at the 76th annual meeting of the shareholders of the Montreal Loan and Mortgage Co. At the same time the board of directors was unanimously re-elected. The directors are: George Caverhill, president; W. Ernest Bolton, vice-pres.; Herbert Raine, G. Rutherfurd Caverhill and W. B. Blackader.

Weekly Bank Clearings

	Mar. 8 1934 $	Change Year Ago %	Mar. 1 1934 $
Halifax	$ 2,149,003	+ 23.8	1,573,151
Saint John	1,661,817	— 46.9	1,493,500
Moncton	688,118	+ 50.4	664,331
Sherbrooke	515,333	+ 4.0	461,931
Quebec	4,027,206	— 5.4	3,205,936
Montreal	88,213,752	+ 37.2	78,516,335
Peterborough	620,605	+ 25.5	541,833
Ottawa	4,411,504	+ 13.5	3,391,811
Kingston	502,226	+ 31.7	428,702
Toronto	108,109,275	+ 49.1	119,720,971
Hamilton	3,912,522	+ 33.8	3,603,718
Kitchener	1,098,454	+ 54.4	965,219
Brantford	738,012	+ 19.3	636,180
London	2,407,405	+ 12.4	2,262,019
Chatham	389,089	+ 2.6	432,827
Windsor	2,086,460	+ 13.7	1,909,353
Sarnia	428,163	+ 14.8	314,435
Sudbury	587,982	+ 50.2	608,068
Ft. William	541,259	+ 16.9	441,051
Winnipeg	34,189,854	— 20.7	30,409,392
Brandon	261,065	+ 2.6	301,640
Edmonton	3,900,748	+ 35.0	2,997,984
Regina	3,162,699	— 24.1	2,513,737
Moose Jaw	472,941	+ 12.1	363,211
Saskatoon	1,184,701	+ 18.6	902,348
Pr. Albert	268,298	+ 15.9	285,954
Calgary	4,352,346	+ 8.4	3,975,730
Medicine Hat	195,349	+ 24.3	164,549
Lethbrdge	338,932	+ 21.8	267,159
N. W'minster	512,601	+ 48.0	521,680
Vancouver	15,470,279	+ 49.4	14,061,382
Victoria	1,739,136	+ 44.3	1,408,317

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Staff Changes

STAFFORD J. BOYD has been transferred from Calgary to manage the branch of the Bank of Montreal at Lacombe, Alta. Previously Mr. Boyd served the bank in Mexico. He succeeds A. I. B. BELCHER who is now manager at Charlottetown, P.E.I.

S. E. RAE has been appointed manager of the Grain Exchange branch of the Royal Bank in Winnipeg. Mr. Rae started his banking career with the Molson's Bank, later joined the Union Bank serving as manager at a number of branches in the west. Since the amalgamation of the Union Bank with the Royal Bank he has been attached to the Supervisor's Department, Winnipeg.

Branch Changes

Extensive alterations are being made to the Dominion Square branch of the Dominion Bank in Montreal. By Easter it is expected that changes will be completed and the branch will then contain double its former area. T. F. R. Elliott is manager of the branch which was opened in June, 1930.

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The London Office of The Dominion Bank at No. 3 King William St., E.C.4, is situated at the financial centre of the city. A London-trained staff and foreign connections of high standing facilitate transactions in Exchange on all foreign Countries.

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Fascism and Corporate State Phase in Warfare of Classes

Regimentation of Capital and Labor by the State; Fascist Grand Council Supreme

By C. W. STOLLERY

Fascism is a word to conjure with today. The corporate state of Mussolini is cited by zealots as "the answer."

Question: The answer to what? To class warfare. And recent violent political upheavals in Europe bring Fascism into the limelight of current affairs.

The corporate state is the machine, Fascism the compelling motive power driving differing economic classes into settlement. Depending on the point of view, Fascism's corporate state makes strikes impossible, or suppresses individual rights; accents democracy or eradicates it. It is nationalism rampant; regimentation of capital and labor by the state.

The corporate state, Fascism and dictatorship in Italy are inextricably mingled. Regimentation of employers and workers is not new itself, having been worked in New Zealand for 40 years, with mingled success and failure. In New Zealand, however, government by British Parliamentary methods was not sacrificed.

In Italy, the corporate state is part of a Fascist political system, made up of a corporate chamber of deputies, a senate, the Grand Fascist Council and the king, who, to observers abroad, appears to have been pigeon-holed for several years; in fact ever since Mussolini became "premier." In theory, at least, that is all Mussolini is; in theory, the king can fire the premier and the Grand Council. In practice, the facetious wonder whether Mussolini could not fire the king, who, incidentally, is still (since 1900) Victor Emanuel III.

Fascist Organization

First, then, in the Italian corporate state, there is the king. Then there is the Grand Fascist Council, then the senate, then the parliament, all compromising the political organization. The king's importance is problematical. The senate is described by a British authority, Harold Goad, as "a dignified, old-fashioned body largely resembling the House of Lords, but without any hereditary members." Canada's senate appears to be duplicated.

Thus, then, the Fascist Council, of which Mussolini is, of course, the chief power, and the parliament are the important political bodies. Since the present parliament was chosen from vocational representatives admittedly handpicked by the Grand Council, this would appear to leave the Fascist body and Mussolini as the mainsprings of Italian Government. Nevertheless, Magistrate S. Alfred Jones, K.C., of Brantford, Ont., one of Canada's foremost students and an advocate of Fascism, says it is a gross error to suppose that the parliament is not an effective democratic body. He bases this contention on the system of selection of Italy's members of parliament by vocations.

Corporate State

An examination of the corporate state proper is necessary to understand what this vocational selection of members means. Employees and employers in Italy are organized into vocational syndicates of one class or the other, not both. There are united groups of syndicates, perhaps provincial associations, perhaps national federations, called category federations. These united bodies are re-united in thirteen national confederations, two for each of agriculture, industry, commerce, banking, land transport, air and sea transport, and the thirteenth for professional men who have but one, being neither employed nor employers.

The corporations take their being from the National Council of Corporations. This body was chosen from delegates chosen by the thirteen syndicate confederations. The National Council of Corporations is called the general staff of the country's productive bodies. It consists of seven sections chosen to represent each of the types of national confederations. This entire syndical--corporative organization has played an important political part as well as an economic rôle in Italy.

Indirect Vocational Election

In selecting members of the present Parliament, the small local syndicates sent their chosen vocational representatives to their upper bodies for approval. From these nominations, the unions of syndicates picked candidates, the confederations re-picked the revised list. Lastly the Fascist Grand Council according to authorities, selected such candidates from the final nominations as it wished, and had the authority to add or to remove names. This is indirect election, in fact it is claimed to have amounted to selection.

Of this system, Magistrate Jones says it cannot be charged that it is not democratic, since members are picked by vocation. New legislation has been provided so that the indirect election, in part at least, will be eliminated at the next polling. Simeon Strunksy in the New York Times likens the Fascist election system to that of Soviet Russia, stating:

> "Many non-Communist candidates went into the hopper of the village Soviet elections at the bottom of the page but somehow nothing but Communists ever came out at the top of the page in the Soviet Congress . . . Much of the charm exercised by the Soviet election diagrams with their villages, counties and ascending hierarchy of powers is to be found today in the appeal of the Fascist state with its corporations, its guilds, its economics."

See Advantages

Harold Goad and Magistrate Jones see advantages in this electoral scheme. They say the man chosen is experienced in his own branch of production, has been tested in syndicate committees, knows and is known by his vocational constituents, and is independent of political bias since there is no party system. Mr. Jones says Mussolini must defer to the parliament. Mr. Goad goes so far as to say:

> "The fact that he (Mussolini) has created a Chamber which enjoys so much of the confidence and backing of the people is a proof of his disinterestedness, and that he wishes not to override the will of the people, but to guide and educate it before he brings it to follow a special policy. He has shown himself in this to be the servant of his people and not their master."

Opposite View

Dr. Max Salvadori disturbed this pretty picture in a discussion at the Royal Institute of International Affairs, London, by stating that the Fascist Parliament was held in no estimation at all in both Fascist and non-Fascist circles. The Ministry and the Grand Council are appreciated—in some circles—but not the parliament, he said.

Mussolini himself has provided the answer to Italy's democracy, or lack of it. The economic duties of the Parliament are to be taken over by the National Council of Corporations. Last November Il Duce said: "The Chamber (Parliament) has never pleased me....It must be replaced by the National Council of Corporations." The Parliament has already consented to deprive itself of its economic powers in favor of the National Council. A new Parliament is to be elected this spring under the watchful guidance of the Fascist Grand Council, and is expected to vote abolition of Parliamentary Government. This would be the final step in creation of the corporate state.

Fascist Creed

Fascism's creed might read: "I believe that work is a social duty; that all production is a unit for the benefit of the state; that private production and management are the most efficient and should be allowed freedom of action within limits set by the state; that strikes and lockouts are harmful to the interests of the state and must not occur; that the state should co-ordinate supply and demand; that the employer of large numbers has a responsibility to the state; that the press may publish what it pleases but should be fined or imprisoned for publishing what is subversive of the interests of the state; that I should cheerfully submit to heavy taxation by the state."

All For State

None for the party and all for the state is the Fascist idea. The world is interested because the old system of cut-throat competition and industrial disputes is subject to so much criticism. Certainly strikes have been eliminated in Italy by their prohibition with the almost unanimous consent of workers. This appears to have been done, however, with some loss of democratic rights through the Fascist system of government. At least most disinterested observers will think so until it is shown that elections are not selections until the practical possibility of displacing the present "premier" is indicated, and until there is greater freedom of the press and the individual.

Fascism and Empire

Brantford's magistrate makes a case for Fascism. He says the Fascist system fits admirably into the British scheme of empire. It is highly doubtful, however, whether any system of indirect election would be acceptable to British peoples. In Canada, for instance, the widely varied economic interests of the several areas would not allow any one group or party to control affairs indefinitely. That appears to be the political angle.

The corporate state as an economic unit might be suitable to the British countries. Certainly New Zealand has tried it with considerable success, but without sacrifice of political and individual freedom. But in the little Dominion down under, a strikeless economy has not provided the answer to depression, to the public wealth, to non-partizanship, to economic intelligence, to self-sufficiency. It has been a forward step in adjusting industrial disputes; and Australia's adoption and modification of the New Zealand system of arbitration courts gave the larger Dominion an invaluable instrument with which to adjust ordinarily rigid factors, such as wages, when the depression crisis had to be faced.

N. Z. Corporate State

New Zealand's corporate state started in 1894 with the Compulsory Industrial Arbitration Act. Of this legislation, Strunsky says it was intended to establish class justice without class war. By making arbitration of labor differences compulsory, New Zealand made the common good of the state binding upon all through unions of employers and unions of employees, just as Italy has done. But New Zealand did not destroy parties. Mussolini did.

In New Zealand there has been cases where orders of the arbitration courts have been disregarded by labor, but they have been infrequent. This would perhaps be impossible under Fascism, because strong-arm methods might be brought into play. It is noteworthy that labor agitators at one time opposed the New Zealand system of compulsory arbitration, apparently because the system prevented the open class warfare on which such agitators often exist. But in 1928, when revision of the act was being considered by a conference of employees' and employers' representatives, it was the employing group that suggested arbitration should be made optional.

Australia has state and federal arbitration courts to handle labor disputes, and the country is highly unionized as are New Zealand and Italy. The Commonwealth's courts adjust wage rates quarterly on to the basis of the prevailing cost of living. And in meeting the 1931 depression crisis, the courts ordered wage reductions in keeping with the needs of the situation. Australians obeyed the orders, although it cannot be said with complete goodwill. Nevertheless this phase of Fascism, industrial arbitration, has been of some practical value in the Australasian nations of the Empire.

Despite Magistrate Jones' opinion that Fascism is well suited to British countries, many Britishers take exception. Sir Oswald Mosley has organized a Fascist party in England. John Strachey, one of his young disciples, recently told an American audience that the Fascist principle is to seize the reins of government. Those that are best fitted to rule do so, said Mr. Strachey, apparently feeling that his group is qualified. In point of fact, this is what Mussolini did in his "march on Rome" in which 2,000 Fascists were killed in "saving Italy from Communism." But British people are accustomed to self-rule, more so probably than any other people on earth. A Fascist revolution in which the reins of government were seized dictatorially would result in another by which political and individual freedom would be restored, unless Magna Charta, a 700-year-old tradition, is meaningless.

Is Class Warfare

Carmen Haider, in a recent issue of Political Science Quarterly, says that a fundamental prerequisite for the development of Fascist tendencies is a feeling of impotency on the part of nations or of social classes. Another prerequisite, he argues, is a position of economic deadlock. Mussolini, he says, rose to power in Italy when the industrialists and landlords found themselves incapable of subduing the agitation of the masses.

In brief, Fascism is a phase of class warfare. It is a development in the strife between Capital and Labor. In Australia and New Zealand, certain characteristics of the Fascist system were first invoked. Elsewhere than in Italy such class warfare has taken various turns. In Russia, Communism, complete triumph of the proletariat, has developed. In Germany, it is Fascism disguised by a Swastika, but characterized with the violence of Italy's early Fascism. In the United States, it is the new deal. In Canada, it may be the C.C.F. In Great Britain it is, or perhaps was, the Labor Government. In France, Royalism may be "the answer."

Perhaps the lesson for Canadians to learn is that questions of class differences can be handled without bloodshed. New Zealand has done it with fair success. If class wars are to be fought in the twentieth century, it may be done over the conference table, and need not be over the dead bodies of political and individual freedom.

War on Waste

The city of Toronto abandoned certain radial railway lines in 1930. But the cost continues. Estimates for 1934 show that $220,404 is provided for debt charges only on the abandoned railways. In 1931, the cost was $271,854; in 1932, $226,634, and in 1933, about $223,105.

The lesson of this waste, which can be duplicated in many Canadian municipalities, is that it isn't the initial cost, it's the upkeep that counts. Long after the "asset" for which debt has been created has passed out of existence, the taxpayers are paying the piper. The best way to avoid waste of this kind is for municipalities to keep out of many of the unnecessary ramifications of public service enterprises.

RUSSIAN CRUDE SHOWS DECLINE IN PRODUCTION

Neglect of Conservation Takes Toll — Reduces Stress in Markets

Pressure of huge potential surpluses of crude oil on world markets has been relieved to some extent by a decline in the Soviet 1933 production of both crude and refined oil. This Soviet oil which a year or so ago was hailed as a potential rival to cut oil prices in importing countries and was made a political question in Canada, is now a declining quantity. In the first nine months of 1933 it showed a drop of 900,000 metric tons and the production of refineries fell off 1,744,000 tons.

The Soviet industry would have been in a still worse position if it had not been that the Baku field had an unusually fortunate year. Many new wells were brought in and some of them were heavy producers. The Grozny field, the next important field, however, only produced 65 per cent of the amount fixed under the first five-year plan.

Conservation Neglected

Conservation methods to assure long-term natural flow of oil were not adopted in the first five-year plan. The flow from these wells has stopped and there is a lack of pumping equipment to force the oil out of low depths. The productivity of labor also has continued to decline because of the low rewards received by workers.

Italy has been a large importer of Soviet oil and already there have been dickers reported with United States and other companies as Italy desires to provide in case of a possible decline in Soviet exports to get gasoline and oil from other sources.

The investment in the oil fields has been growing while the output has not increased. The investment in fields now in operation is placed at 557,000,000 roubles as compared with 183,000,000 roubles in 1930. In that time the production has increased only from 18,000,000 metric tons to an estimated amount of 22,500,000 tons in 1933.

Stern measures are being taken by Moscow to secure maintenance or increase of output but it is feared also that this may hurry on, in many cases, the depletion of the fields.

The situation gives more importance to surplus production elsewhere such as that coming from the Roumanian oil field, the Persian oil fields, the South American oil fields, part of which are under Canadian control, and the surplus from the United States. The latter surplus is still overwhelming but any diminution in outside supplies available will make eventual stabilization easier.

"Sell-and-Switch" Swindle Is Still Being Operated

Montreal Better Business Bureau Warns Public Against Plague of High Pressure Experts in Art of Separating Innocents from Their Skin

Frequent warnings against the "sell-and-switch" swindle have been sounded by provincial and state authorities, financial editors and by this and other Better Business Bureaux, says a bulletin dated March 7, of the Better Business Bureau.

During recent months dishonest security vendors, operating from Montreal and Toronto, have been particularly active, and another caution against the methods of irresponsible vendors of questionable stocks is timely.

Imported From United States

"Tipster" sheets, lurid literature and high-pressure telegrams have all played their part in bringing in victims, but the favorite approach is the long distance telephone call. "Sell-and-switch" operators are known to have been imported from the United States. They are experts in their line. Under assumed names they introduce themselves over the telephone as representing a brokerage house with an impressive name but brief existence.

The usual procedure is to tell the prospective victim that the firm is desirous of building up a permanent clientéle. Mention is made of some listed mining stock and the "client" is told that the brokerage firm has inside information that a pool is being formed or other important bullish news. He is pressed to buy before the certain advance takes place.

"Come On" Tactics

The stock discussed is invariably that of some corporation in which the prospect is already a stockholder, or else some listed stock which is a market favorite. The prospect is told that in order to obtain him as a client, he is to be given the opportunity of buying the recommended stock on a 50 per cent margin. All too often the introductory offer is accepted, and a cheque sent.

Within a few days, if the price of the security bought has moved upward (and we have been in a rising mining market) these swindling promoters again telephone their victim, pointing out that their forecast was correct. They urge the "client" to increase his purchase and find out by skilful questioning what other securities he holds. These they induce him to put up as collateral to enable him to take on further shares of the recommended stock, so that advantage of the "marvellous opportunity for quick profit" may be taken.

Having sold their victim all he can carry of a good security (and which they actually do buy for his account) in a few days they proceed to the "switch." They again telephone him, or her, and say that they have bad news. "Information has just been received that an estate, which owns a large block of stock is being liquidated. These shares thrown on the market will break the price and, until absorbed, there will be no chance of a quick turnover." They advise getting out of the stock for the time being and offer to put the "client" into another stock which they say has equal prospects of early enhancement, and which they strongly recommend.

From this point on the plot develops rapidly. An aggressive sales talk is made and the victim wakes up to find that he has been sold out of his listed stock and landed with a gamble having little real market value. Of course, the principals of the so-called security house had previously obtained an option on a substantial block of this latter stock at a low price, but they "switch" it to the public at an unconscionable profit to themselves.

None of these "sell-and-switch" operations would succeed if the potential victim would make even the most cursory investigation of the short business history of the firms and of the stocks offered for sale.

Afternoon Tea Habit Found Gaining in Montreal Offices

There is one good British practice that is gaining ground in Canada. A salesman this week in Montreal at no less than four offices was pressed to join in afternoon tea. One was an investment house, another a manufacturing concern which markets its output by high-pressure means, the third was the office of a chain of stores, and the last was a public utility. In each the British afternoon tea habit was in vogue.

Further investigation shows that the habit has made great strides since the depression, at least in Montreal where these researches were pursued. The investigations largely took the form of calling on firms at the tea hour. Probably twice as many companies have instituted afternoon tea for their employees as in 1929.

A strange feature about this apeing of this sensible century-old British habit is that all employers questioned gave different reasons for it. The high-pressure organization had the most cogent reason for pausing in the middle of the afternoon's drive for more and better business. Tea was served in that office because it saved the employees' time. It was found that over 80 per cent of the office force went downstairs to the lunch counter for it anyway. They were away from their work for a minimum of ten minutes. Tea at the workers' desks wastes no time.

In one office nepotism seemed to be responsible for the afternoon tea habit. The office manager explained that as the highest offices and the best jobs had to go to members of the family owning the business, the firm did everything in its power to keep its other employees contented. Tea was simply one of the means to this end.

Keeping Them Working

A publishing house with nine to six office hours found that the last half hour of the day was largely spent in preparations for going home. Tea is now served at a quarter to five. The five minute break, plus the heartening effect of the tea, now keeps the staff working until six o'clock. The tag end of the day is not wasted.

Another firm with a large number of comparatively poorly paid office workers scientifically tested the results of afternoon tea on its employees. More work was accomplished by those who had it than by those who had none.

There were, however, special circumstances affecting this office. Most of the staff lived in outlying suburbs. In many instances they breakfasted before eight o'clock. By twelve noon they were more than ready for lunch.

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Assistant Secretary-Treasurer: H. A. Seymour

CONSOLIDATED ANNUAL STATEMENT
Years Ending December 31st

ASSETS

	1933	1932
Plant Investment	$34,247,885.10	$34,195,845.87
Cash on Hand and in Bank	576,377.48	52,352.52
Call Loans	300,000.00	
Accounts Receivable	364,874.04	345,762.06
Investments at Cost Value	303,400.00	361,660.00
Bonds Purchased in anticipation of Sinking Fund Requirements	114,453.75	
Merchandise, Materials and Supplies	228,453.24	280,230.57
Deferred Charges	150,544.19	99,253.03
	$36,285,987.80	$35,335,104.05

LIABILITIES

To the Public:	1933	1932
Funded Debt	$16,778,500.00	$17,000,000.00
Accounts Payable and Accrued Liabilities	410,468.81	297,160.26
Dividends of Subsidiaries payable Jan. 1934	24,783.50	24,771.00
Preferred Dividend payable 15th Jan. 1934	96,250.00	96,250.00
Common Dividend payable 25th Jan. 1934	120,000.00	75,000.00
Bond Interest Accrued	138,629.17	141,041.66
Customers' Deposits with Interest Accrued	131,010.72	120,343.82
	$17,699,642.20	$17,754,566.74
To the Public Shareholders of Subsidiaries:		
Capital Stock—		
Preferred (6% Cumulative Convertible. Redeemable at 110% and Accrued Dividends after 60 days' notice)	1,466,000.00	1,466,000.00
Common	257,003.50	257,053.50
Minority Interest in Profit and Loss	17,406.10	17,275.06
To the Shareholders—Canada Northern Power Corporation, Limited:		
Capital Stock—		
Preferred (7% Cumulative Shares of $100.00 each par value) (Redeemable at $110.00 and Accrued Dividend after 60 days' notice).		
Authorized.......... 75,000 shares		
Issued & Outstanding 55,000 shares	5,500,000.00	5,500,000.00
Common (No Par Value)		
Authorized............500,000 shares		
Issued & Outstanding 400,000 shares (25,000 shares at $12.00 each have been issued during the period)—representing equity in Capital and Surplus	3,626,652.68	3,226,866.44
Paid in by Subscribers to Capital Stock	3,085.00	84,865.86
Reserves: Depreciation	7,594,681.72	6,908,972.31
Reserves: Miscellaneous	121,516.60	119,504.14
	$36,285,987.80	$35,335,104.05

REVENUE ACCOUNT
For Year Ending December 31st, 1933

Gross Earnings		$3,690,284.94
Expenses	$1,099,472.15	
Interest (including U.S. Exchange thereon)	934,561.26	
Bad Debts	4,282.25	
Balance	1,651,969.28	
	$3,690,284.94	$3,690,284.94

PROFIT AND LOSS ACCOUNT

Balance at Credit December 31st, 1932		$1,378,070.44
Deduct: Prior Year Adjustments		2,895.50
		$1,375,174.94
Earnings for the Year ended Dec. 31st, 1933		1,651,969.28
Adjustment of Minority Interest of Subsidiary in Profit and Loss	131.04	
Div. on Pref. Stock of Subsidiary Company	87,960.00	
Div. on Com. Stock of Subsidiary Company	11,196.50	
Dividends on Preferred Stock	385,000.00	
Dividends on Common Stock	345,000.00	
Depreciation	720,000.00	
Balance at Credit December 31st, 1933	1,477,856.68	
	$3,027,144.22	$3,027,144.22

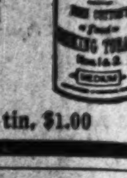
Approved on behalf of the board: A. J. NESBITT, JAS. B. WOODYATT } Directors.

Audited and certified in accordance with our certificate dated Feb., 26th, 1934.
(Signed) P. S. Ross & Sons,
Chartered Accountants.

JOHN COTTON'S
TOBACCOS
"From the Land of the Heather"

The man who loves his pipe finds in JOHN COTTON'S a tobacco that brings comfort, peace, and relief from worry, coming as it does from an older and more placid world. There is no finer tobacco made than JOHN COTTON'S—"Scotland's Best."

In three strengths — Mild - Medium - Strong
1 ounce tin, 25c 2 ounce tin, 50c 4 ounce tin, $1.00



We offer:
DOMINION OF CANADA
Treasury Bills
June 1st, 1934

Denominations . . . $25,000
Price . . . . . . Market
Yield . . . About 2 per cent

JOHNSTON AND WARD
Head Office: THE ROYAL BANK BUILDING, MONTREAL
Members: Montreal Stock Exchange
Montreal Curb Market
Branches: Kingston, Ont.; London, Ont.; Charlottetown, P.E.I.; Moncton, N.B.; Saint John, N.B.; Halifax, N.S.; Sydney, N.S.; Toronto, Ont.; Sherbrooke, Que.

THE CAR THE WORLD RESPECTS

IN A SCORE OF TESTED WAYS

McLAUGHLIN-BUICK EIGHT for 1934

IN the beauty of the 1934 McLaughlin-Buick, you recognize at once a vigorous new vitality of modern styling. Without being in the last extreme, it wins your admiration with a windstream design of perfect harmony.

As for performance, McLaughlin-Buick gives you THE FLOATING RIDE and Vacuum-Power Brakes—symbolic of comfort and safety undreamed of even a few years ago.

And McLaughlin-Buick is new in many other great ways . . . all tried and tested in hundreds of thousands of Proving Ground miles that duplicate owner experience. New with increased space and refinement in its fine Fisher Bodies. With added automatic conveniences. With increased power and greater economy.

See this great new Straight Eight today. Drive the model of your choice. You will find that McLaughlin-Buick, holding fast to all that is *proved*, strikes out into new paths of *progress* in 1934.

Prices of the McLaughlin-Buick Eight, delivered at factory, Oshawa, Ont., fully equipped, Freight and Government license only extra, begin at $1550. Convenient G M A C terms.

Produced in Canada

THERE IS A McLAUGHLIN-BUICK DEALER NEAR YOU TO SERVE YOU

SECOND SECTION

THE FINANCIAL POST

SECOND SECTION

Vol. XXVIII — Member of Audit Bureau of Circulations — PUBLICATION OFFICE: TORONTO, MARCH 17, 1934 — 10c a Copy; $5.00 a Year — No. 11

Your Life Insurance Company Is Proud of Its Accomplishments

Largest Depositary of Savings Funds in the Dominion Proves Its Worth in Time of Financial Stress—Many Important Developments in 1933

On each working day of 1933, some 20,000 thrifty Canadian citizens paid tribute to the value of life insurance in Canada. During the entire year these men and women deposited with these institutions, to create and maintain their 7,000,000 policies, something over $200,000,000.

To visualize what this means, reflect that $200,000,000 is over twice as much as has ever been added in any one year to the total savings deposit fund of all our other Canadian financial institutions. In short, there is perhaps no habit of thrift so firmly engrained or so steadily increasing in Canada as this annual deposit of insurance premiums participated in year after year by the great majority of Canadian citizens. Look back through the blue books of the federal insurance department and you will find that since away back in 1880, there have been only two years in which total premium deposits by Canadian policyholders have failed to show a gain over the preceding year.

All Classes Affected

An equally striking fact is the universality of these deposits, and the insurance they represent. They come from the humblest homes and from the farthest corners of the Dominion. In some cases, the premium is a few cents a week. In others, it totals many thousands of dollars. The worker in the office or factory is just as much interested as is the tiller of the soil and the fisher folk on our ocean coast. And, of course, the $2 billion of assets which represent these equities is merely the sum total of the individual savings funds held together by a great co-operative institution.

Last year alone, in spite of the fact that industrial indices touched the lowest depths in a decade, Canadians bought and paid for no less than $600,000,000 of life insurance—a figure, incidentally, only 11 per cent below the corresponding total of the previous year. Total business in force at the end of the year in Canada was something over $6.5 billion, which means almost $3,000 for every family in the country and which places Canada as third ranking country in the world in respect of per capita coverage.

Meeting Depression Needs

Then look at the other side of the picture.

Visualize that much of these hundreds of millions of dollars which have been poured into life insurance funds for the past 10, 20 or 25 years, has been surplus or savings funds planned and started in good times and retained with courage and determination in periods of stress and strain. Ordinarily, the moneys received each year from policyholders by way of premiums, are nearly twice the sums paid out to policyholders and their beneficiaries. As the depression deepened, however, these funds were called into service, so that in 1932 and 1933 life companies found themselves paying out between 80 and 90 cents for every dollar of new money that was coming in.

One of the great financial stories of the past four years has been the fact that no company in Canada for as much as even a day was embarrassed at making these payments and the moneys deposited in good faith in previous years were paid dollar for dollar whenever they were required.

A significant sidelight to this situation is the startling fact that in 1933 total payments by life insurance companies in Canada to policyholders and their beneficiaries, and including new moneys paid during the year by way of policy loans, amounted to no less than 13.5 per cent of the total wage and salary bill of the entire nation in that year. Of course, the payment of large sums in the form of policy loans and cash surrender values is to be deprecated, since in many instances it means the diversion of an insurance fund from its primary purpose of affording protection against death. Nevertheless, the fact that these moneys were available to take up some of the financial slack of the depression and also that they were obtainable at 100 cents on the dollar, on demand, is proving in itself one of the most potent arguments for the institution of life insurance.

New Trends and Developments

New trends and developments in 1933 have been for the most part a confirmation of factors which began to appear during the last two years. Chief among these has been a further swing toward the sale of non-participating contracts by companies which formerly sold the major portion of their business on a participating business. In many quarters this is thought to be a temporary situation which will correct itself as business improves and as increased earnings enable larger dividend scales to be paid to participating policyholders.

This argument is supported by the viewpoint of many company officials who maintain that over a longer period of years their participating contracts have been more favorable to their policyholders than have the non-par policies. They feel, therefore, that this factor will again assert itself perhaps even during 1934.

New Rate Books

To meet changing conditions of earning power and demand, many leading companies during 1923 and at the beginning of 1934 have issued new rate books embodying in some cases radical changes from previous manuals. One feature of these has been a general tendency toward lower cash surrender values, particularly in the early years of a policy so as to avoid unfairness which might otherwise develop by reason of policyholders dropping their contracts in early years for amounts which are payable only at the expense of those who continue to the end of the contract.

At least one important company has announced an increase in its rate for non-participating insurance while nearly all companies have introduced new and attractive policies to meet the increasing demand for retirement income plans on the one hand and children's policies on the other. A feature of these newer policies has been their increased flexibility.

Annuity Sales Gain

Another feature of underwriting during the year was the substantial increase in the sale of annuities. Many companies which previously sold little or none of this type of business were active during 1933 in building up a good sales volume, while companies such as the Sun Life and Canada Life, which have long sold this type of contract in Great Britain, made very substantial gains. Typical is the data published this week for Ontario, which records in that province in 1933 a 160 per cent gain in moneys received for annuities as compared with a year ago.

Here, again, a word of caution is commendable, in that moneys may be invested in this type of contract which should primarily be diverted to building insurance protection. While this may be true in certain cases, the bitter financial experiences of the past five years have been ample demonstration, on the one hand, of the weakness of investments formerly considered shock-proof, and on the other, of the virtues of the insurance company as a depository of life savings.

Financial Position Improved

Two important features of the past year and which are indicative of the financial improvement made during 1933, are revealed from figures compiled in recent weeks by The Financial Post and which show:

(a) that new moneys invested by life companies in Canada during 1933 (exclusive of policy loans) increased by over 30 per cent as compared with a year ago. The returns include some 27 companies doing virtually all the business in Canada at that time.

(b) that the liquidity of these companies increased during the year by 51 per cent. The term "liquidity" being taken to mean holdings of cash and of Canadian, United Kingdom and United States government and government guaranteed bonds. Figures for 23 purely Canadian companies show liquidity to be higher at the end of the year by 40 per cent.

Interest Rate Problems

Investment and interest rate problems have been paramount in the minds of companies and policyholders during the year. Many eminent authorities have predicted the probability of a long period of declining interest rates and in Canada, for instance, during 1933, the traditional rate of three per cent allowed by chartered banks to savings depositors was cut to 2½ per cent with the possibility that another cut of one-half per cent may be found necessary during 1934. The yield on high grade securities has been influenced accordingly.

Insurance companies are concerned with this problem in two ways. For the long pull there is the vital matter of the long term trend of interest rates. Then, too, there is the more pressing problem as to whether any arbitrary measures will be taken in this country to reduce the nominal rate now being paid on mortgages and securities of all types. On this latter point, the federal government has publicly declared its concern for the thousands of policyholders who might be affected if anything of a compulsory nature were attempted in Canada since insurance companies are among the largest holders of government securities in the Dominion.

Keynes Expresses Views

As for the long term trend, the conviction of John Maynard Keynes, chairman of the board of the Nation Mutual Life Assurance Society, given at the annual meeting of that company last month is of interest:

"With opportunities for safe and profitable investment abroad greatly curtailed, as much by the unfortunate results of past investment as by diminished opportunities for new investment, Britain and the United States would, if they were to return to full employment of their resources, save sums so vast that they could not possibly be invested to yield anything approaching 3½ per cent. No one can foretell at what point the rate of interest will reach its equilibrium level, but it is highly probable that the equilibrium rate for long-term, gilt-edged issues is not above 2½ per cent and may be appreciably less."

On the other hand, it is pointed out, that at the beginning of the present century an almost similar situation obtained and in spite of the fact that experts freely predicted at that time a continued drop in interest return, the past twenty-five years has witnessed just the opposite. Just how much the Great War had to do with this situation is perhaps difficult to estimate. Certainly it proved an important and disturbing factor.

Valuations of Securities

Closely allied to this question of return on investment is the very vital problem of valuation in respect of stocks and bonds held by insurance companies.

As is well known, provincial and state officials in all parts of the Continent have allowed special valuations to obtain during the last three years in the belief that the year-end market quotations for securities (particularly those prevailing on any one day of the year) did not give a true indication of the intrinsic worth of investments purchased by life companies for the purpose not of being subsequently sold at a profit, but primarily for the purpose of a safe, permanent investment over a long-term period.

It is obvious that many features of previous legislation in respect of valuations, which seemed satisfactory until 1929, have since proved inequitable in light of the past five years. And while it is reasonable that permanent revision in our laws respecting insurance company investments may well wait a return to something approaching normal conditions, there is also considerable strength in the argument that the temporary valuation bases which have been used with various adaptations in the last three years are only justified if the relief which they afford is used primarily by each individual company to put its investment house in order. Many close students of the situation are of the opinion that without waiting for the last day of the year to come around, a definite start should be made immediately to plan for an early return of the proper valuation basis.

Analysis of Assets

The following table shows the percentage distribution of the assets of all Canadian companies reporting to the federal insurance department, as published by the Canadian Life Insurance Officers' Association. It is worthy of note, however, that if the stock holdings of Sun Life of Canada, which holds roughly 50 per cent of its assets in this type of security, were excluded, stocks held of all other companies would be but 3 per cent of total assets.

Analysis of Assets of Canadian Life Companies*

	1927	1928	1929	1930	1931	1932	
	%	%	%	%	%	%	$
Real estate	2.36	2.48	2.56	4.07	4.01	4.31	71,875,176
Mortgages—Farm	7.37	6.59	6.04	5.05	4.43	4.21	69,665,861
Other	17,12	17.86	17.90	17.35	16.69	16.06	265,886,029
Policy loans	13.67	13.50	14.32	15.17	16.36	17.82	295,183,868
Canadian Government bonds	8.37	6.72	5.69	4.90	6.91	7.66	126,881,817
British Empire Gov't. bonds	1.95	1.57	1.04	.93	.91	1.86	22,488,452
Foreign Gov't. bonds	2.53	2.67	2.48	2.21	1.93	1.73	28,669,344
Municipal bonds	12.26	10.38	8.98	8.00	7.74	8.49	140,541,483
Railroad bonds	.57	.70	.77	.67	.70	.73	12,125,190
Miscellaneous bonds	12.08	11.52	11.71	11.60	11.88	10.48	178,571,924
Stocks	16.35	20.81	22.98	23.74	22.60	21.15	350,183,254
Other ledger assets	.88	.79	1.03	1.43	.98	1.19	19,631,024
Total ledger assets	95.51	95.59	95.50	95.12	95.14	95.18	1,576,108,371
Non-ledger assets	4.49	4.41	4.50	4.88	4.86	4.82	79,812,137
Total assets	100.00	100.00	100.00	100.00	100.00	100.00	1,655,920,508

*All companies reporting to Federal Insurance Department.

Life Insurance Lacks Appeal Unless It is Merchandised

No higher tribute to the work being done by life insurance companies in Canada is available anywhere than the annual return made to the House of Commons by Canada's minister of finance in connection with Civil Service Insurance Act.

Latest returns tabled in the house and covering the operation of this organization since 1911, show that as at the end of the fiscal year, March 31, 1933, there were approximately 8,391 policies in force on some 6,731 lives. The total amount of insurance involved was $25,336,000. During the entire year, 1933, only 172 policies were issued under this act for a total sum of $628,000. In its entire history, only 9,851 policies have been issued for a total insurance of $29,712,000.

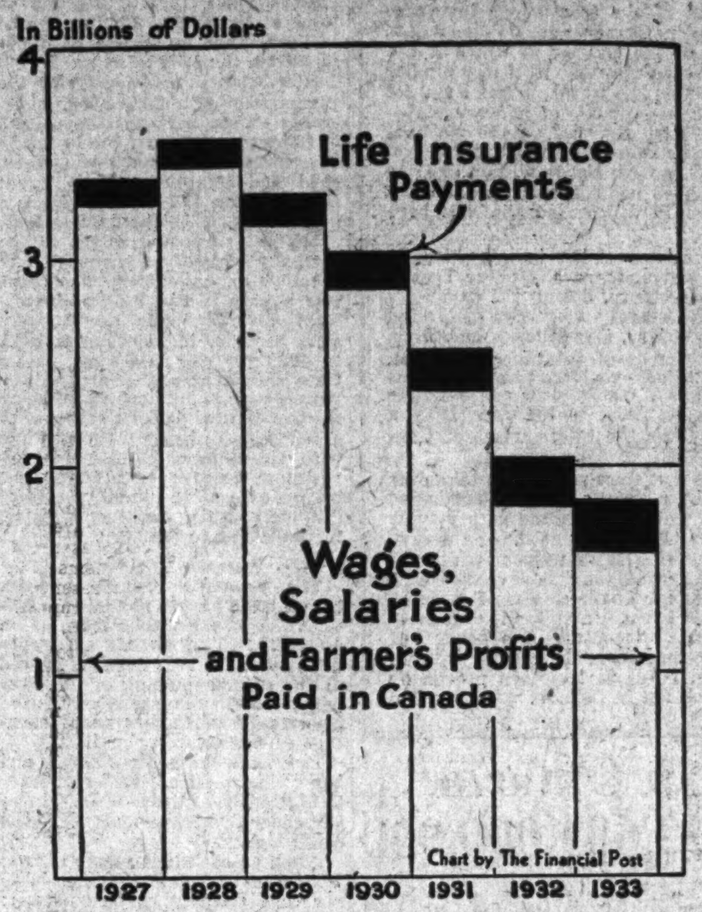
Story Unfolds

In themselves, there is nothing remarkable about these figures, but when it is realized that this act provides a ready-made insurance programme for between 40,000 and 50,000 civil service employees; that it is available at approximately 75 per cent of the cost of the cheapest form of insurance purchasable from a regular life company, the story begins to unfold.

The answer, very simply, is that since these policies are not actively merchandised through the channels used by the regular life companies in Canada, only one in seven of the civil service employees of Canada have taken advantage of this opportunity.

The figures tell an eloquent story for those who doubt the efficacy of the present highly organized system through which life insurance is sold to Canadian citizens. Perhaps this system may seem at times expensive but at least it is effective in achieving much needed protection for the majority of its constituency—which is more than can be said for the excellent but quiescent plan available for civil service employees.

Life Insurance Takes Up the Slack



The amazing contribution of life insurance to the Canadian pocketbook during the past five years is graphically told in the above diagram which shows how payments by life companies to policyholders and beneficiaries in the past five years have served to take up the slack caused by declining wage and salary payments.

The totals for wages and salaries are from figures supplied by the Dominion Bureau of Statistics until 1931, thereafter the figures are from estimates made by The Financial Post Business Year Book. In each year the total includes a sum representing the effective wages, salaries and profits of farmers working on their own account. The figure for life payments includes the net increase in policy loans outstanding as at the end of each year.

An astonishing feature of the chart is that it reveals that 1933 payments in Canada by life companies to their policyholders and beneficiaries totalled approximately 13.5 per cent of total wage and salary payments in that year.

Research Bureau Members Placed $397,000,000 in 1933

Revised Figures Cover Experience of 19 Companies With 91% of Ordinary Business in Force

New figures on the revised basis of calculation to be used in the future by Sales Research Bureau of Hartford for monthly sales of ordinary life insurance in Canada show a total sale of $397,026,000 of business paid for in 1933, or a decline of nine per cent from the corresponding total of 1932, according to special figures prepared for The Financial Post by that organization.

It will be remembered that about two weeks ago the bureau announced that its monthly barometer of life insurance sales would henceforth be on the basis of returns from 19 companies having approximately 91 per cent of total business in force in Canada as at the beginning of January, 1933. The previous figures cover fourteen companies with 84 per cent of total business in force.

January Sales off 10 Per Cent

The new figures made available reveal that for companies making the return, sales in January last (latest monthly total available) were 10.2 per cent below the corresponding figure of January, 1933.

Comparison with special figures issued by the Federal Insurance Department at Ottawa indicate that the experience of bureau companies during 1933 was slightly better than that for all companies operating in Canada. Thus, the Federal figures show the net amount of paid for business by all companies to be lower by just over 11 per cent as compared with 1932. The corresponding figure for companies reporting to the bureau is nine per cent.

The following table shows the new revised figures for total sales by provinces in 1932 and 1933.

New Paid-for Life Insurance†
(Canada and Newfoundland)

	1932	1933	Ratio*
	$	$	%
Alberta	19,872,000	16,570,000	83
B. C.	26,485,000	25,913,000	98
Man.	24,226,000	22,346,000	92
N. B.	10,476,000	9,678,000	92
N. S.	14,414,000	13,384,000	93
Ont.	185,944,000	165,341,000	89
P. E. I.	1,230,000	1,136,000	92
Que.	133,175,000	124,815,000	94
Sask.	18,045,000	14,844,000	82
Nfld.	3,422,000	2,999,000	88
	437,289,000	397,026,000	91

*1933 business compared to 1932.

†Compiled from data of 19 companies which had 91 per cent of total business force in Canada at Jan. 1, 1933.

Statistical Record of Life Insurance in Canada 1933

(Compiled Exclusively by The Financial Post)

(Companies Ranked in Order of Business in Force, December 31, 1933)

CANADIAN COMPANIES (TOTAL BUSINESS)

	Comm. business in Canada	Gross insurance in force at Dec. 31, 1933	Gross paid for new insurance, 1933	Total assets, Dec. 31, 1933	Payments to policyholders, 1933	Payments to policyholders in Canada since incorporation
Sun	1871	$2,770,453,871	$216,567,442	$624,146,035	$ 97,457,059	$800,170,033
Canada	1847	852,668,334	52,687,962	226,842,892	28,058,000	308,742,131
Great-West	1892	552,294,135	46,262,427	134,762,165	21,867,680	139,823,180
Mutual of Canada	1870	518,521,336	40,838,608	138,913,984	17,391,769	165,681,289
Manufacturers	1887	504,680,804	48,788,281	119,459,942	19,022,911	142,870,978
London†	1874	476,811,726	92,091,000	84,516,221	8,236,429	56,451,899
Confederation	1871	361,044,688	35,279,270	94,205,166	13,498,593	120,475,110
Imperial	1897	279,718,959	18,682,630	68,573,416	9,083,997	71,063,436
North American	1881	188,634,019	13,510,736	46,758,032	5,996,924	70,117,105
Dominion	1889	145,117,527	16,571,259	26,357,434	3,481,998	26,039,285
Crown	1901	138,821,915	22,324,971	18,893,082	2,993,887	16,584,526
Excelsior	1890	90,052,416	9,144,942	19,230,066	2,427,900	20,003,464
National	1899	55,532,044	5,712,588	11,552,874	1,513,118	13,241,049
Monarch	1906	52,602,206	6,036,650	10,860,770	1,385,535	7,694,202
Northern	1897	45,032,889	3,796,567	9,000,735	1,243,994	11,219,500
Ontario Equitable	1920	44,022,817	2,907,240	8,986,759	814,749	4,534,000
Montreal	1910	36,770,265	5,012,443	5,446,115	1,000,063	4,854,947
Continental	1899	35,184,825	3,356,581	7,858,986	1,001,038	8,768,240
Sauvegarde	1903	26,931,136	2,975,859	4,826,749*	611,236	7,522,867
T. Eaton Life	1920	25,504,718	2,177,987	4,826,535	416,478	1,611,762
Sovereign	1903	24,710,220	2,307,289	5,867,320	799,896	5,702,391
Mutual Relief	1875	19,181,121	1,435,702	5,297,682	484,576	11,151,743
Empire	1923	16,114,600	2,382,459°	2,525,731	227,514	728,909
Capital	1912	15,311,435	2,784,535°	2,983,104	465,369	....
Maritime	1924	12,217,321	1,411,738	1,497,834	76,469	406,112
Saskatchewan	1914	9,111,486	866,736	2,203,954	284,452	1,328,205
Commercial	1913	9,680,403	860,172	1,839,153	233,016	1,166,568
Western Empire	1912	8,808,554	1,863,209	1,910,483	158,633	854,065
Dominion of Canada	1887	8,085,962	1,336,870	813,704	....	....
Western	1911	7,578,000	1,493,000°	1,600,672	312,539	No record
UNITED STATES COMPANIES (Canadian Business Only)						
Metropolitan†	1872	1,008,213,378	128,906,308	255,707,755	30,756,784	214,000,000
Prudential of America†	1909	494,991,266	69,633,377	92,468,103*	14,388,154	96,260,729
New York Life	1868	170,620,070	6,101,706	50,082,617*	6,748,178	No record
Travelers*	1865	127,549,687‡	9,656,466	22,936,241	....	No record
Ætna	1850	82,247,226	3,946,160	12,545,358	1,896,650	No record
Mutual of N. Y.*	1885	74,186,340‡	....	23,649,690	....	No record
BRITISH COMPANIES (Canadian Business Only)						
Mutual and Citizens†	1913	30,354,726	5,500,246	6,804,627	587,355	2,880,845
Royal	1851	23,659,273	1,498,223	7,103,312	786,914	....
Prudential of London	1930	8,224,242	3,648,827	1,146,587	27,954	58,444

*1932 figure (latest available). °Issued business, no record of paid for. †Includes industrial business. ‡Net total.

You Carry Life Insurance, of Course But How Will Your Family Use It?

Modern Methods Have Devised Simple, Flexible Ways to Ensure Financial Happiness for Your Beneficiaries

By CHARLES F. ADAMS

Any service to endure should be one which meets a genuine human need. No argument is nowadays required to prove the value and necessity of adequate life insurance. But how can the need of conserving the estate created by life insurance be met?

The life insurance trust affords such a service.

What is an insurance trust?

It is simply a plan whereby the proceeds of your life insurance policies instead of being paid directly to your estate or to your beneficiary will be paid to a trustee, who assumes the responsibility of carrying out your wishes as set out in the terms of the trust. The life insurance trust has been devised to provide management for life insurance funds with both safety and flexibility.

Reasons for a Trust

But why any such need? Because, unfortunately, a large part of the insurance moneys paid in lump sums direct to beneficiaries is often lost or wasted. You intend your life insurance to provide that additional something which when added to your other assets may meet the reasonable needs of your dependents. Even this is not enough to make protection certain. Beneficiaries under life insurance policies frequently have little knowledge of investments and little experience in managing money. The investment of money is a highly specialized business. All too often insurance moneys may be lost completely or tied up in unproductive ventures by following the well-intentioned but unsound advice of relatives or friends. The family is then left without the protection intended, in spite of the best efforts of the insured, the husband or father, in providing in his lifetime adequate life insurance.

The purpose then of a life insurance trust is to help to conserve the principal sum supplied by the insurance company and to apply as intimately as possible, the income derived from its investment to the needs of the beneficiaries.

Insurance Company Limitations

But, some one interjects, why not leave the moneys with the insurance company itself under one or other of the options commonly offered in the policy?

The money may be left on deposit and paid out in various ways for a given number of years, or for the life of the beneficiary. Similarly the life income and such policies of insurance no doubt admirably suit the purpose where a certain fixed income is to be paid beneficiaries. Where it is the desire of the policyholder, however, to give more latitude to the beneficiaries or to carry out any other provision requiring the exercise of a discretion, this cannot be fulfilled by the life insurance company alone. The relation of the company to the beneficiary of the insured is that of debtor and creditor, and as such the company is bound to pay the insurance according to the terms of the contract. There is no discretion allowable in the amount, or the time of such payments. This can only be accomplished by using the services of a trust company.

Flexibility is Keynote of Trust

The greatest single advantage of a life insurance trust is its flexibility in the manner in which it may be made to meet emergencies which cannot be foreseen or provided for in any other way. An insurance trust does much to replace your influence and activity as the head of your family. By authorizing the trust company to use its discretionary powers in the absence of definite instructions, you can thus replace to a large extent your own careful judgment which you cannot bequeath to anyone.

The second great advantage of a life insurance trust is the high degree of protection it affords for your insurance estate. There are strong legal and financial bulwarks protecting your trust funds in the hands of such a trustee. These significant safeguards and precautions include periodical audits by auditors, segregation of all trust funds from the assets of the company, separation of each trust fund from all others and the security afforded by the trust company's own capital and surplus.

Simple to Create

The creation of an insurance trust is a simple matter. You make your policies payable to the trust company of your choice, as trustee, and then by means of a simple trust agreement set forth exactly how the income and ultimately, the principal are to be used. There need be nothing final about your insurance trust. The agreement may be revised as often as you wish, or revoked entirely, if necessary, unless you have deliberately made it irrevocable.

Achieves Many Objectives

Within the scope of such objectives there might be one or more of the following:

To furnish an income for your wife, with principal to be divided among your children after her decease.

To make your father and mother comfortable as long as they live.

To provide a home for your daughter upon her marriage.

To finance your son's education and to give him a start in business when the time comes.

To make a bequest to your favorite charity or educational institution at a future date which your financial resources will not permit today.

To contribute to the support of your needy niece, or nephew, or dependent friend.

To provide ready funds to pay off all your indebtedness so that your estate will be secure for your dependents.

To furnish the cash necessary to pay promptly the succession duty on your estate.

Whatever you want your insurance money to do, estimate the amount that will be needed and work out with your life underwriter in detail the way in which it is to be used.

The Unfunded Trust

The unfunded trust is the simplest form of insurance trust. The insurance is made payable to the trustee but you continue to pay the premiums and to receive any dividends or refunds to which you may become entitled. It is not necessary to set up any fund or make any cash outlay whatever at the time of creating the trust.

The trustee's duties during your lifetime in the case of the unfunded trust are quite simple, being confined to having your wishes incorporated in the trust agreement and the policies delivered to the trust company for safe keeping.

When the policies mature the trustee enters upon its active duties, which in general, are:

(a) To collect the proceeds of the policies from the insurance companies.

(b) To invest these proceeds as required by law or as permitted by the terms of the agreement.

(c) To apply the income to the uses specified.

(d) To render regular accounting of the transactions of the trust.

(e) To distribute the principal in the manner directed.

The Funded Trust

The funded insurance trust has all the advantages of the unfunded trust and other important ones in addition. It goes one step farther in protecting your beneficiaries. Income-producing securities or property are turned over and deposited with the trustee, yielding sufficient income to pay the premiums which the trustee uses for this purpose. Thus, these are promptly and automatically paid, no matter where you may be or what the state of your finances otherwise. When the policies mature, the proceeds, together with the property originally deposited, form the trust fund. Income from good securities should carry from 100 per cent to 300 per cent of the value of the securities in life insurance, depending upon your age and the yield from these securities.

The Investment Insurance Trust

There is also a cumulative or investment insurance trust—a partially funded trust, a combination of the funded and of systematic savings. Such is established by depositing the insurance policies and making periodic cash deposits, part of which may be used to pay the premiums and the remainder invested for your benefit during your lifetime.

The relationship between an insurance trust and a will is obvious. The former administers and distributes only the money derived from the insurance. Under the will there are administered and distributed the other portions of your estate.

Business Insurance Trust

The business insurance trust is analogous in that it furnishes a modern safeguard and collateral aid to business. Every executive, whether an owner, a partner or salaried officer who formulates policies or directs the operation of a business brings intelligence, skill, and experience to his task. Each of these qualities is valuable; each is perishable. The loss of each should be recompensed through insurance upon the life of such executive. Such intelligence, skill, and experience are recognized as assets by the creditors of any business. If these are removed by death, some other asset must take their place or creditors may demand payment at a time when payment is difficult or impossible. A fund should be available automatically to replace the credit which has been extended upon faith of his ability. That fund is best provided by life insurance.

As an active businessman, you consider your interest in your business as an asset in a going concern. But what happens when you pass out of the picture? The heirs may shun such an estate because the hazards of business go with it. You think they should convert it into cash. That is easier said than done. Purchasers may be difficult to find. A forced sale of assets seldom brings a fair price. Your family should be protected against such a situation. You should arrange to convert such an interest into cash. How? Through a business insurance trust agreement.

A Co-operative Plan

The rapid growth of life insurance trusts in the past few years has given rise to the opportunity of co-operation between life underwriters and trust companies. A good life underwriter is qualified to make a detailed individual analysis of your estate, and if circumstances indicate that an insurance trust is advisable, he obtains permission to discuss his findings with the trust company officer and to obtain his reaction and opinion.

With the joint proposal the underwriter returns to you with drafts of the plan in writing for the completion of the transaction by submission to your lawyer to settle and put in final form for execution. Both underwriter and trust officer appreciate and respect the confidential nature of these arrangements, just as does your solicitor. Each in his own way can aid you toward that satisfaction which flows from the accomplishment of a necessary task well done.

New 1933 Business Totals $578,600,000

The net amount of life insurance written and paid for in cash in Canada during 1933 was $578,613,159, this being a decrease of 11.4 per cent from the corresponding amount written in 1932, according to preliminary figures issued by the federal insurance department this week.

Of the total amount written in 1933, ordinary insurance amounted to $431,001,266, industrial insurance, $134,262,844, and group insurance, $13,349,049.

The total net business in force in Canada on December 31, 1933, was $6,247,548,167, this being a decrease of 3.5 per cent under the corresponding amount at the end of 1932.

Of the total amount in force $4,160,271,570 was carried by Canadian companies and $2,087,276,597 by British and United States companies.

High Liquidity For Life Firms In Dominion

A sharp improvement in "liquidity" was shown in 1933 by life insurance companies doing business in Canada. Figures compiled from individual companies by The Financial Post indicate that holdings of cash and prime Government securities by the some 28 leading institutions doing business in this country, increased no less than 51 per cent as compared with a year ago.

Total cash and prime bonds held at the end of the year amount to $1,320,325,000 as compared with $873,695,000. Bonds included in this survey were Canadian, U. K. and U. S. Government and Government guaranteed securities. The totals include the mighty Prudential Assurance Co. of England (now doing life business in Canada) and which has almost half a billion of prime securities and also the figures of three big U. S. companies, namely Metropolitan, New York Life and Prudential of America.

For purely Canadian companies the gains made during the year are equally impressive, some 23 institutions reporting an improvement of 40 per cent in liquidity. The 1933 total (on the same basis as described above) is $217,169,000 as compared with $155,471,000.

The figures are particularly impressive when it is remembered that 1933 was a year when demands from policyholders for cash surrender values was the highest in the history of life insurance in this country and that during the year life companies in Canada paid out to policyholders and beneficiaries (exclusive of new policy loans) something over $190,000,000—a figure very close to the total amount of new moneys received by way of premium income.

Manufacturers Life

World-wide Organization Still Does Half of Total Business in Canada — Annuity Business Better, Policy Loans Declined in 1933

Forty years of steady expansion has resulted in the establishment of a world-wide organization, Manufacturers' Life Insurance Co.'s first branch outside of Canada being opened in Bermuda in 1893. The company was established in 1887, head office in Toronto, and operations are now carried on in seven states of the United States, in Alaska, Newfoundland, Bermuda, most parts of the West Indies and South America, Great Britain, Egypt, India, Ceylon, South Africa, Japan, and China and a number of smaller points.

Of the total business in force, approximately 49 per cent is Canadian, 41 per cent from outside Canada, and 10 per cent in re-insurance from other companies.

Business in force at December 31, 1933, totalled $504,680,804, a decrease of $22,000,000 from the end of the previous year. Of the total, approximately $6,500,000 is group business. Of the remainder, all written on the ordinary plan, $420,000,000 is participating and $78,500,000 is non-participating.

Annuity Business Gains

New business issued by the company totalled $53,947,000 in 1933, a decline of 13.7 per cent from the corresponding figure for 1932. Paid for business totalled $48,676,285 as compared with $57,975,000 in 1932.

New business issued in 1933 was divided as follows: 44 per cent in Canada; 52 per cent outside Canada, and 4 per cent re-insurance. The major part of the decrease in new business took place in the first half of the year, new business in the last six months seemed substantially better in relation to production in the corresponding period of the previous year. Annuity business showed a material increase for the year, annuity premiums received being $1,100,000 or an increase of over 100 per cent.

Analysis of company's assets showed that bonds and debentures formed over 44 per cent of the total, mortgages 27.3 per cent and policy loans 20 per cent. As compared with 1932, a 1.2 per cent decline in policy loans is a most significant change. In the company's balance sheet bonds and stocks are taken in at values below these authorized by the federal insurance department and in addition the company in 1933 increased contingency reserve to $825,000 and free surplus (exclusive of paid-up capital) to $2,864,000.

Payments to policyholders in 1933 amounted to $19,023,000, the highest amount ever paid in one year in the history of the company and bringing the total so paid to $132,500,000.

Officers—W. G. Gooderham, pres.; M. Ross Gooderham, K.C., vice-pres. and gen. counsel; J. H. Lithgow, gen. mgr. & actuary; E. S. Macfarlane, sec.; L. A. Winter, treas.; H. C. Cruickshank, med. off.; A. Mackenzie, mgr. of agencies; R. E. Dowsett, asst. sec.; G. D. Holmes, H. J. Stowe, asst. actuaries.

Directors—
Representing Shareholders: W. G. Gooderham, M. R. Gooderham, K.C.; G. H. Cassels, K.C.; W. Stone, Harvey B. Henwood, Col. A. L. Bishop, all of Toronto.
Representing Policyholders: R. A. Daly, F. G. Osler, D. G. Ross, all of Toronto.

Field of Operations—Canada, state of California, Illinois, Michigan, Ohio, Oregon, Pennsylvania, and Washington; also Alaska, Antigua, Bahamas, Barbados, Bermuda, British Guiana, British Honduras, Burma, Ceylon, China (Treaty Ports), Colombia, Cuba, Curacao, Dominica, Dominican Republic, Dutch Guiana, Egypt, Federated Malay States, Great Britain and Northern Ireland, Grenada, Guatemala, Haiti, Hawaii, Hong Kong, India, Jamaica, Japan, Java, Kwangtung, Newfoundland, Nicaragua, Panama Canal zone, Philippine Islands, Porto Rico, St. Kitts-Nevis, St. Vincent, Salvador, Siam, South Africa, Straits Settlements, Trinidad, Virgin Islands.

Capital—Authorized	$3,000,000
Subscribed	1,500,000
Paid-up	1,500,000

Dividends Paid on Capital Stock—10 per cent per annum.

Growth of Business

Year	Assets $	Business in Force ($ 000)	New Ins. Paid for ($ 000)
1912	16,132,947	73,889	12,195
1917	24,585,927	98,129	13,814
1922	42,084,330	217,422	38,162
1927	76,483,180	402,554	70,820
1932	117,786,626	526,253	57,975
1933	119,459,942	504,681	48,788

Percentage Analysis of Ledger Assets

	1933 %	1932 %	1931 %	1930 %
Bonds:				
Government	18.2	14.1	12.5	10.4
Municipal	14.4	13.1	13.1	12.2
Other	11.7	15.1	16.4	17.7
Total bonds	44.3	42.3	42.0	40.3
Stocks:				
Preferred	.7	.8	.9	.8
Common	1.3	1.3	1.4	1.1
Mortgages	27.3	29.6	31.8	35.7
Real Estate	3.4	3.0	2.4	2.3
Policy Loans	20.1	21.3	20.6	18.9
Other assets	2.9	1.7	.9	.9
	100.0	100.0	100.0	100.0
Int. earned on mean invested assets	5.07	5.02	6.22	6.28

Type of Business	Issued (net) 1933	Business in Force Dec. 31, '33
Ordinary:		
(a) Par.	33,065,240	419,712,353
(b) Non-par.	20,756,857	78,463,868
Group	124,750	6,504,583

Rhodes Expresses Pride In Insurance Institutions

By HON. E. N. RHODES, Minister of Finance.
(Addressing House of Commons, Ottawa, in respect of Nationalization of Life Insurance.)

We have reason to feel proud of the tremendous insurance business which has been built up in Canada and, on the whole, the character of that business and the manner in which it has been conducted. I think it compares favorably with any similar business to be found in any country in the world. While I am not suggesting for a moment that it is not capable of improvement—no human institution is perfect—I do say that on the whole it has served the people of this country extremely well and I deprecate any suggestion emanating either from the resolution or from discussion in the House, that we have not full confidence in and reason to be proud of the manner in which insurance has been conducted in Canada.

During the 85 years that life insurance has been in force in Canada under Government supervision, there has never been a dollar lost to a policyholder. Furthermore, during the past fifty years, in which there has been Government supervision of foreign companies doing business in this country, and deposits have been required as security for the fulfillment of insurance contracts, there has never been a dollar lost to policyholders through effecting insurance in any foreign company. Our records are complete with respect to insurance companies back to the year 1875, a period of 58 years. During that time, the total income of Canadian insurance companies was $4,235,746,000.

I submit in all seriousness that if it were possible to take over the life insurance business, assuming that it could be conducted by the Government as efficiently as it is conducted as a private enterprise—I do not admit that but I will assume it for the sake of argument—it would lose that driving force without which the business would not increase and prosper as has been the case under private management. This is one of the classes of business which the Government ought not to engage in unless it does so in competition with private enterprise and obtains the benefit of the stimulus which comes from competition. Even then it loses out in competition with private business as has been proven by experience not only in New Zealand but in Canada.

Life Insurance in Ontario Now Totals $2,681,000,000

New 1933 Figures Show Business Issued in the Province Totalled $310,000,000 — Annuity Sales Soar

Since Ontario contributes something like 40 per cent of the total life insurance sold in Canada in any one year, figures published last week by the Ontario Superintendent of Insurance and covering the experience of 1933 in that province are of wide interest.

The figures show that new business issued in the province in 1933 totalled $310,000,000 or a decrease of roughly 10 per cent from the corresponding figure a year ago. Total business in force in the province at the end of 1933 is shown at $2,681,320,000. This is a decline of approximately $56,000,000 from the corresponding figure of 1932 and is lower by almost $100,000,000, than the total outstanding in the province as at the end of 1931.

Annuity Sales Soar

Particular attention is drawn to the substantial increase in payments received by life companies in the province in respect of annuities. The total for 1933 is $5,100,000 as compared with $1,900,000 a year ago and just over $2,000,000 in 1931. It will be seen, therefore, that moneys received from the sale of annuities in the province increased by something over 160 per cent during 1933.

Net premium income decreased by approximately $200,000, the sharpest decline being in premiums from industrial policyholders which were lower by over $1,500,000. Investments in the province increased however, by more than $3,000,000, the gain being due entirely to higher surrender value payments.

In this connection, the superintendent points out that although these payments on account of surrender values were higher by more than $3,000,000 a considerable slackening in demand for cash values is indicated. The corresponding increase between 1932 and 1931 was $8,000,000.

Comparative figures of income and surplus in the province in the past two years are:

	1932 $	1933 $
Net Prem. Income:		
Ordinary	64,880,213	63,071,472
Industrial	17,974,327	16,444,015
Group	2,308,631	2,200,105
Annuities	1,903,560	5,100,816
Totals	87,066,731	86,815,908
Disbursements to Policyholders:		
Death claims	17,800,517	17,880,984
Matured endowm'ts	4,848,306	5,619,168
Surrender values	29,799,496	33,262,642
Dividends	14,880,879	13,258,148
Other payments	1,561,612	1,803,209
Totals	68,890,810	71,824,151

Detailed experience of each company writing business in the province is also shown in the following tabulation:

ONTARIO BUSINESS OF LIFE INSURANCE COMPANIES IN CANADA

	Net Premium Income $	New Business Issued No. of Policies	New Business Issued Amount $	Insurance in Force No. of Policies	Insurance in Force Amount $
(a) Joint Stock Cos.					
Aetna	563,918	227	1,379,281	4,687	37,661,902
Canada	6,378,385	2,674	9,333,715	55,358	209,297,092
Capital	106,936	422	730,773	2,842	4,800,401
Commercial Union	537	...	...	13	27,684
Confederation	2,863,518	3,006	7,633,986	39,859	89,516,655
Continental	521,297	1,555	3,181,043	10,395	18,305,707
Crown	1,150,783	1,542	3,618,597	16,958	34,857,165
Dominion	2,055,003	2,257	7,991,271	25,873	70,046,348
Dominion of Canada General	116,004	411	936,057	2,496	5,228,894
Eaton, T.	465,055	666	1,160,028	6,045	13,695,704
Empire	391,577	872	1,579,841	6,858	12,991,801
Excelsior	1,092,722	2,946	5,702,747	20,596	43,271,861
Great West	4,238,076	3,589	8,857,104	57,621	123,422,949
Imperial	3,268,825	2,501	6,106,361	40,636	104,544,101
Liverpool & London & Globe	1,325	...	...	22	42,454
London	9,214,630	79,865	57,656,927	349,224	307,529,451
London & Scottish	154,327	186	338,785	2,708	6,229,053
Manufacturers	3,571,516	3,944	9,989,963	49,728	112,072,206
Monarch	333,726	...	1,844,761		10,117,590
Montreal	242,951	287	733,891	2,360	7,446,539
Mutual Life & Citizens	299,553	6,211	1,724,657	30,314	8,738,444
National of Canada	411,846	638	1,754,510	6,434	14,611,738
North British & Mercantile	5,048	...	...	22	128,076
Northern	528,455	871	1,785,188	10,713	17,757,688
Occidental	42,083	95	276,500	677	2,036,188
Ontario Equitable	804,314	939	2,963,886	14,787	33,552,963
Phoenix Assurance	40,313	6	18,000	487	1,955,522
Prudential Assurance	118,967	1,093	1,815,905	1,898	3,507,107
Royal	193,121	93	321,410	1,245	6,033,008
Sauvegarde	73,755	139	210,970	1,412	2,089,507
Sovereign Life	140,837	354	628,982	2,941	4,872,052
Sun	9,577,377	5,456	16,066,858	97,195	304,247,973
Travelers of Hartford	919,315	456	1,772,900	7,369	39,911,316
Union Labor	2,715	8	12,500	43	82,500
United States	18,268	13	37,500	153	530,281
Western	7,790	44	69,500	102	154,750
(b) Mutual Cos.					
Metropolitan	14,159,134	159,475	86,867,448	901,364	378,692,787
Mutual Relief	281,994	337	743,884	8,279	9,737,370
New York Life	1,821,808	731	1,553,044	20,894	48,919,591
Prudential	8,955,712	101,411	35,395,732	746,736	260,028,524
Royal Guardians	67,867	910	330,792	5,392	2,188,481
Standard	280,333	174	741,106	3,519	9,554,936
State	19,887	...	...	148	1,131,136
Union Mutual	13,563	4	5,583	211	438,823
(c) Other					
Mutual of Canada	9,241,756	7,207	19,320,389	103,341	257,509,037
North American	2,059,101	2,725	7,291,082	28,251	61,804,743
Totals	86,815,908	396,340	310,482,957	2,688,200	2,681,320,038

Northern Life

Paid-for Business Gains in 1933 — Dividends Increased

Northern Life Assurance Co. of Canada, with head office in London, Ontario, was incorporated in 1894 and has done business throughout Canada since 1897. Business in force at the end of 1933 amounted to $45,032,889, a decline of 8 per cent from the 1932 total.

New business paid for during the year amounted to $4,786,000, an increase of six per cent from 1932. For the past 2 years, the company has concentrated on the Ontario field and this accounts in great measure for the decline from a peak of $70,500,000 paid for in 1928.

Highest surplus earnings in the company's history are reported in the 1933 annual statement. There was a gain in surplus and investment reserve while assets were some $200,000 higher than in 1932. In 1933 for the first time, assets were shown at authorized values, the practice in previous years being to show figures at book values with a deduction to bring them into line with the allowed total. New investment reserve of $144,280 has been set up on the liability side of the ledger while free surplus is up from $57,572 to $160,000.

Increase Dividends

The company reports expense ratio at the lowest point in its history. A considerable increase in policyholders' dividends commencing January 1, 1934, was announced at the annual meeting of the company. The increase was authorized as a result of the increased earnings of the company in 1932.

Payments to policyholders and beneficiaries during 1933 amounted to $1,244,000, of which $651,000 was surrender values and $295,000 death claims.

Analysis of ledger assets shows: mortgages and agreements, 36.25 per cent (largely eastern urban); bonds and debentures, 35.05 per cent; loans to policyholders, 21.01 per cent; real estate, 5.59 per cent.

Officers—
R. G. Ivey, pres.; W. E. Robinson, vice-pres. & treas.; G. W. Geddes, gen. mgr. and actuary; G. Fay Davies, asst. gen. mgr. and sec.

Directors—
Representing Shareholders: R.G.Ivey, Ray Lawson, J. E. McConnell, W. E. Robinson, F. A. McCormick, S. Thompson, M.D., all of London.
Representing Policyholders: J. S. Moore, Major G. J. Ingram, J. G. Thompson, London.

Business Written:	Issued (net) 1933 $	Total in Force Dec. 31, 1933 $
Ordinary business:		
Participating	2,380,771	32,641,163
Non-par	1,681,225	10,276,825
Group	157,250	2,114,900

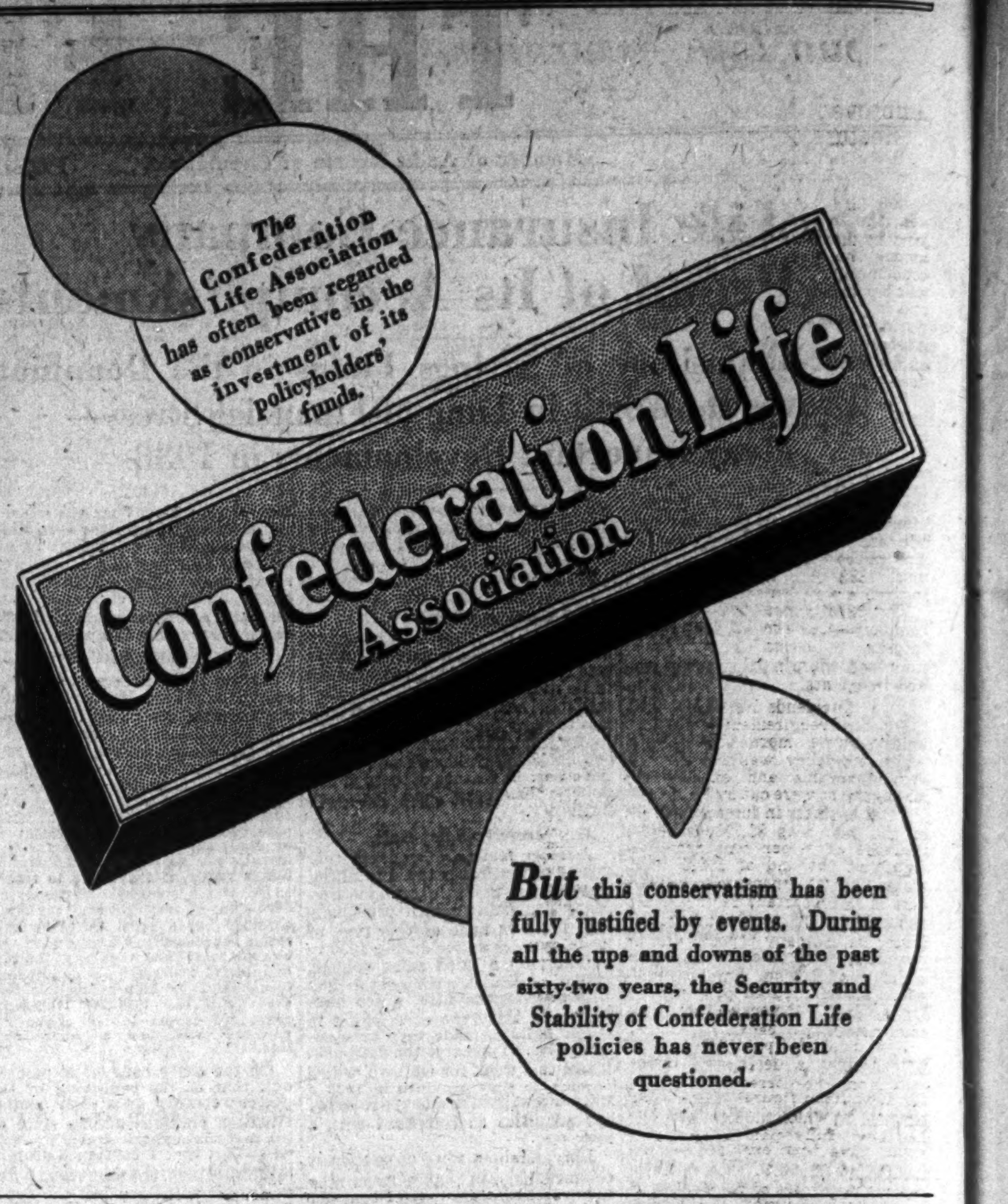
Capital—Authorized	$1,000,000
Subscribed	1,000,000
Paid-up	250,000

Growth of Business

Year	Assets $	Business in Force ($ 000)	New Ins. Paid for ($ 000)
1912	1,810,228	9,007	2,205
1917	3,090,779	12,437	3,298
1922	4,495,263	30,464	9,644
1927	6,288,065	44,824	17,037
1931	8,873,000	53,196	4,939
1932	8,820,622	48,854	4,157
1933	9,000,735	45,033	3,797

	1933 %	1932 %	1931 %
Int. Earned*	5.31	5.73	5.58

* On mean invested assets.


The Confederation Life Association has often been regarded as conservative in the investment of its policyholders' funds.
Confederation Life Association
But this conservatism has been fully justified by events. During all the ups and downs of the past sixty-two years, the Security and Stability of Confederation Life policies has never been questioned.

DIFFICULT YEAR FOR CAPITAL LIFE

Capital Impairment Increased But Bank Loan Lower

Capital Life Assurance Co. of Canada was incorporated in 1912 under Dominion Charter. Head office of the company is at Ottawa. Total business in force at the end of 1933 amounted to $15,311,435, as compared with $17,651,135 recorded at the end of the previous year. New insurance issued and revived during the year totalled $2,784,535 as compared with $3,000,000 in 1932. Payment to policyholders amounted to $465,369 as compared with $435,912 in 1932. Of the 1933 total death claims accounted for $118,527, or 59 per cent of the expected mortality.

Impairment of capital to the extent of a further $100,000 is reported by the company following operations in 1933. Paid-up capital amounts to $137,060 against which only $29,041 is carried in the 1933 balance sheet, this being the surplus available for protection of policy holders. Analysis of the company's assets shows that $1,670,000 is invested in bonds and debentures, $200,840 in mortgages and real estate and $515,162 as loans on policies. A slight reduction of the amount borrowed on securities is shown in the 1933 balance sheet, the total being $125,000 as compared with $135,000 in the previous year.

Interest earned on invested assets during the year was at the rate of 4.81 per cent as compared with 5.26 per cent in 1933.

Officers—
J. J. Lyons, pres.; A. E. Corrigan, vice-pres. and man. dir.; L. N. Poulin, vice-pres.; E. M. McNiece, sec.; C. B. Cullinan, actuary.

Directors—
Representing Shareholders: J. J. Lyons, A. E. Corrigan, W. H. McAuliffe, Col. L. T. Martin, all of Ottawa; R. P. Gough, Toronto; Hon. E. W. Tobin, Bromptonville.
Representing Policyholders: L. N. Poulin, Col. D. R. Street, Ottawa; Gordon Grant, Toronto; Dr. N. A. Dussault, Quebec.

Capital—Authorized	$1,000,000
Subscribed	809,900
Paid-up	136,060

Growth of Business

Year	Assets $	Business in Force ($ 000)	New Ins. Paid for ($ 000)
1912	178,023	1,242	1,102
1917	405,479	3,865	1,204
1922	1,127,471	8,208	1,519
1927	2,178,943	14,474	2,952
1931	2,818,000	20,145	2,502
1932	2,624,828	17,651	2,087
1933	2,669,709	15,311	†2,784

†Issued and revived. Paid for business not available.

Turn to Seed Growing

Seed growing is being featured more extensively year by year in the Grand Forks district of British Columbia and splendid results are being obtained.

Excelsior Life

Assets Gain in 1933—Policyholders' Payments Higher

Confining its activities entirely to the Dominion, Excelsior Life Insurance Co. has been operating under federal license since 1897. Head office of the company is in Toronto.

At the end of 1933 the company reported total business in force of $90,052,416, a decrease of $4,500,000 from the total at the end of the previous year.

Total assets at the end of 1933 amounted to $19,230,000, an increase of approximately $200,000 from the end of the previous year. Total and premium income were maintained within $100,000 of 1932 figures. Payments to policyholders and their beneficiaries were increased by $330,000 due largely to increased demand for cash surrender values and higher payments on account of matured endowments and investment policies. Of the total payments to policyholders 78.8 per cent were paid to living policyholders and the remainder in death claims.

Surplus Higher

Of total assets at the end of 1933, amounting to $19,230,000, 37.5 per cent was in bonds and debentures; 21.3 per cent first mortgages; 21.9 per cent in policy loans. Out of 1933 surplus earnings, $100,000 has been used to write down the value of mortgage loans and real estate; $50,000 written off the value of head office building and $100,000 added to reserve for depreciation and investments and contingencies, bringing this latter point to $700,000 at the end of the year. The surplus at the end of the year was $1,530,800—slightly higher than at the end of 1932.

Officers—
Alex. Fasken, K.C., pres.; J. L. Ross, 1st vice-pres.; G. R. Warwick, 2nd vice-pres.; A. C. Galbraith, gen. mgr.; C. P. Muckle, sec.-treas.; T. A. Dark, actuary; C. Q. Parker, investment mgr.; A. W. Johnston, asst. actuary; T. O. Cox, supt. of agencies; J. N. Babcock, asst. supt. of agencies; A. P. Johnston, acct.; John Ferguson, medical referee.

Directors—
Representing shareholders: Alex. Fasken, J. L. Ross, S. F. Duncan, F. E. Maulson, H. S. Gooderham, A. Matthews, Toronto; G. E. Weir, Dresden, Ont.; G. S. Kilbourn, Owen Sound.
Representing policyholders: G. R. Warwick, Toronto; G. B. Nicholson, Chapleau, Ont.; P. F. Casgrain, K.C., Montreal; Stuart Cameron, Vancouver.

Field of Operations—Canada.

Capital—Authorized	$500,000
Subscribed	500,000
Paid-up	150,000

Dividends Paid on Capital Stock—$2.40 per annum.

Growth of Business

Year	Assets $	Business in Force ($ 000)	New Ins. Paid for ($ 000)
1912	2,855,070	16,718	2,681
1917	4,593,716	21,079	5,114
1922	8,080,259	48,412	7,336
1927	13,327,152	76,387	11,716
1931	18,497,608	98,020	12,050
1932	19,019,349	94,631	10,186
1933	21,530,562	90,052	9,145

Percentage Analysis of Invested Assets

	1933 %	1932 %	1931 %	1930 %
Bonds:				
Government	22.5	19.0	18.9	17.7
Municipal	13.9	14.7	15.6	16.8
Other bonds	11.1	11.7	12.2	12.7
Total bonds	47.5	45.4	46.7	47.2
Stocks:				
Preferred	1.1	1.1	1.0	1.1
Common	.6	.7	.7	.2
Mortgages	21.3	22.7	23.4	26.2
Real estate	7.0	7.5	7.9	6.8
Policy loans	21.9	22.2	19.8	18.2
Other assets	.6	.4	.5	.3
	100.0	100.0	100.0	100.0
Int. earned*	5.36	5.45	5.72	5.88

*On mean invested assets.

Type of Business Written:	Issued (net) 1933 $	Business in Force Dec. 31, '33 $
Ordinary:		
(a) Par.	4,605,892	60,748,963
(b) Non-par.	6,028,568	29,295,895
Group	None	None
Industrial	None	7,558

Export More Cattle

Cattle shipments from the Maritime ports during the two first months of the year reached a total of 7,391 head, as compared with 4,798 head during the similar two months of last year.

T. EATON LIFE CO.

ORGANIZED IN 1920

Rapid Expansion Among Employees and Customers Featured Early Years

Originally incorporated under a Dominion license in 1920 to carry group insurance on the employees of the T. Eaton Co., the T. Eaton Life Assurance Co. later dropped this plan and canvassed employees in the ordinary way. In 1926, for the first time, the company solicited business outside the T. Eaton Co. conducting a successful mail order campaign which has since continued. Considerable increase in business was the result of a system of payroll deduction for premium payments instituted some years ago among employees of the T. Eaton Co. With the addition of the business written outside the store, total insurance in force now stands at $25,504,718, this being a decline of some $700,000 from the figure at the end of 1932.

New business paid for in 1933 amounted to $2,177,987 as compared with $2,531,000 in 1932. Both these figures show considerable decline from the high mark of $6,615,000 set in 1929. Only three types of policies are written by the company, these being ordinary life, twenty-pay life, and 20-year endowment. The bulk of the business has been written on a non-participating basis, although almost all insurance written outside the store has been participating. Of the total business, in force at the end of 1933, $19,336,882 was non-participating and $6,167,866 participating. The company writes no industrial or group business.

Analysis of assets shows bonds and debentures at $2,020,000 out of total assets of $4,822,425 at the end of 1933. Mortgage loans on real estate account for $1,595,000 of the total, stocks $299,000 and loans to policyholders $445,630.

Growth of Business

Year	Assets $	Business in Force ($ 000)	New Ins. Paid for ($ 000)
1922	331,810	1,848	685
1927	1,413,351	12,903	4,351
1931	3,776,000	27,070	3,527
1932	4,452,397	26,203	2,531
1933	4,822,426	25,505	2,178

Officers—
R. Y. Eaton, pres.; H. McGee, vice-pres.; J. A. Livingstone, mgr.; J. J. Vaughan, sec.-treas.; A. E. Harkness, A.A.S., actuary.

Directors—
Shareholders' Directors—R. Y. Eaton, pres., Toronto; H. McGee, vice-pres., Toronto; Lady Eaton, Toronto; W. G. Dean, Toronto; H. M. Tucker, Winnipeg; J. J. Vaughan, Toronto, S. Wilson, Winnipeg; Mrs. J. S. Burnside, Toronto; T. A. McCrea, Toronto.
Policyholders' Directors—J. E. Dodds, Montreal; J. Elliott, Toronto; J. A. Livingstone, mgr., Toronto;; J. G. McKee, Toronto; T. C. Musgrave, Toronto.

Capital—Authorized	$500,000
Subscribed	250,000
Paid-up	100,000

Classes of Business Written:	Issued (net) 1932 $	Total in Force Dec. 31, 1933 $
Ordinary business		
Participating	209,464	6,167,866
Non-par	2,002,957	19,336,852
	2,212,421	25,504,718

	%	%	%
Interest earned*	5.41	5.70	5.93

*On mean invested assets.

N. Y. Mutual Has Ceased Canadian Activities

Mutual Life Insurance Co. of New York, oldest life insurance company on the North American continent and which commenced writing business in Canada in 1885 withdrew from Canada in the middle of 1932, after having operated here consistently for 47 years. Restrictions imposed by the insurance laws of New York State under which the company operates, were given as the reason for the withdrawal.

Business of the company in force in Canada at Dec. 31, 1932, the latest available figure, was $74,723,840, all of which was ordinary business. Total assets in Canada at Dec. 31, 1932, amounted to $23,649,690, while at the end of 1933, the company had nearly $14,000,000, held by the receiver-general as security for Canadian policyholders, and which will be maintained in proportion as long as the company has policies outstanding in Canada. The company is maintaining an office in Toronto to service Canadian policyholders.

Monarch Life

New Business Greater But Total in Force Slightly Down

Monarch Life Assurance Co., with head office at Winnipeg, is licensed under federal charter and does business both in Western Canada and in Ontario and Quebec. The company does not write business outside of the Dominion.

Business in force at the end of 1933 amounted to $52,602,206, a decrease of about 7 per cent from the total at the end of 1932. All insurance is written on the ordinary plan, about $45,000,000 being participating.

Total assets at the end of 1933 amounted to $10,860,770, a slight increase from the previous year.

New business issued totalled $8,825,000 as compared with $7,964,900 in 1932. Payments to policyholders totalled $1,385,535 as compared with $1,186,859 in 1932. Of the 1933 total $204,647 was for death claims, $134,237 was dividends to policyholders and over $1,000,000 was accounted for by other payments.

Surplus Higher

Special surplus and reserve fund are shown in the 1933 balance sheet at $1,142,000 as compared with $1,045,000 last year. This total includes investment reserve of $200,000 and free surplus of $438,000. In 1932, investment reserve was $150,000 and free surplus totalled $416,000.

Analysis of the company's assets showed over 50 per cent of the total invested in first mortgages on improved property. Bonds and debentures to the total of $1,872,000 (stated to be $30,280 below values authorized by the Dominion Insurance Department) and loans on policies of $2,076,934 are the other important items.

Officers—
W. A. Matheson, chairman of the board; E. J. Tarr, K.C., pres.; W. L. Parrish, vice-pres.; J. A. Macfarlane, gen. mgr.; G. J. Telfer, sec.

Directors—
Representing Shareholders: W. A. Matheson, R. J. Gourley, W. L. Parrish, E. J. Tarr, K.C.; G. H. Stewart, J. A. Flanders, all of Winnipeg.
Representing Policyholders: A. O. Marrin, W. T. Gwyn, D. H. Hudson, Winnipeg.

Capital—	
Authorized	$2,000,000
Subscribed	996,600
Paid-up	100,740

Dividends Paid—$1 per annum.

Growth of Business

Year	Assets ($ 000)	Business in Force ($ 000)	New Ins. Paid for ($ 000)
1927	7,081	52,512	7,013
1928	8,045	57,542	2,280
1929	9,001	61,569	7,656
1930	10,070	63,901	6,944
1931	10,373	61,148	6,025
1932	10,692	56,347	4,903
1933	10,861	52,602	6,037

Type of Business Written:	Issued (net) 1933 $	Business in Force Dec. 31, '33 $
Ordinary	6,854,945	52,602,206
(a) Par.	4,053,997	42,756,854
(b) Non-par.	2,800,948	9,845,352
(c) Group	nil	nil

	%	%	%
Interest earned*	6.10	5.84	7.63

*On mean invested assets.

N. B. Pulp Mills Active

The report of the provincial Department of Lands and Mines shows 466,301 cords of wood, or 233,000,000 feet to have been turned out in the six pulp and paper mills of New Brunswick during the 1932-33 season. Exports during the same season amounted to 104,289 cords.

WHAT WOULD YOU DO
if your income were reduced 85%?

Would you make a contract with your business partner whereby, following his death, your income from the business would be reduced 85%?

Yet isn't it true that you now have just such an arrangement with your home partner—your wife?

In other words, assuming that earning power produces 85% of your income, and your investments only 15%, is not your financial plan at home exactly the same as under such an agreement with your business partner?

Could your wife carry on the "home business" and assume the double responsibility with less than one-sixth of your present income?

Thinking men who have realized this but could see no way to provide an adequate income against the inevitable loss of earning power have found a happy solution to the problem in the SUN LIFE FAMILY INCOME PLAN.

It Guarantees:—

An immediate income when it is needed.

The continuance of it while necessary.

The cessation of it when it is no longer required.

AND

A capital sum when the responsibilities and anxieties of bringing up the children are over.

A SUN LIFE REPRESENTATIVE will be glad to give you details of the FAMILY INCOME PLAN or to advise you which plan will best meet your own particular needs.

SUN LIFE ASSURANCE COMPANY OF CANADA
HEAD OFFICE · · · MONTREAL

Sun Life Assurance Co.

Improved Margin of Income Over Disbursements Feature of Satisfactory Year — Canada's Largest Company Does World-wide Business

Sun Life Assurance Co. of Canada, the largest institution of its kind in the Dominion and ranking among the largest in the world, conducts operations not only in Canada but in 42 of the United States and in 35 countries throughout the world. Continental Europe and Australia are about the only parts of the world in which the Sun Life does not have agencies.

Originally incorporated in 1865 under the name "Sun Insurance Co. of Montreal," the original intention was to carry on a general insurance business. Six years later, however, its name was changed to the Sun Mutual Insurance Co. of Montreal, its business confined to life and accident insurance. The first policy was written in 1871 and until 1893 both life and accident insurance were written.

The 63rd annual report of the company—that for 1933—shows an increase in assets and a greatly improved margin of income over disbursements.

Dividends Earned

Dividend requirements for policyholders were more than earned while mortality was reported as very favorable and expenses of management were cut by $1,154,000.

Total business in force at the end of the year was $2,770,000,000, a decrease of 5 per cent from the figure at the end of 1932. It is stated that the increase in surrenders is an important factor in this reduction. Of total business in force the company reports that 30 per cent originated in Canada, while the British Empire as a whole contributed 46 per cent, the United States 43 per cent and other countries 11 per cent.

New business paid for totalled $216,000,000, a decline of 24 per cent from the corresponding total for 1932. This figure includes only business on which the first premium has been fully paid in cash, revivals have been excluded and reinsurances deducted. The company reports that most of the falling off in business occurred in the early months of the year and that consistent increases appeared in later months.

More Annuity Contracts

Annuity underwriting showed a very considerable increase in 1933 as compared with the previous year. Cash received as purchase price of annuities totalled over $30,000,000, compared with $8,140,000 a year ago. The average purchase price of these contracts was $3,200 in 1933.

Total assets at the end of 1933 are $14,000,000 greater than at the end of the previous year. The most important change is a substantial increase in holdings of government and other bonds while cash in the bank and on hand is higher being $18,000,000 as compared with $5,500,000 a year ago. Surplus earned was sufficient to afford a good margin over dividend requirements to policyholders and the sum of $7,600,000 was applied to writing down values at which maturities are carried in the statement. The basis on which the company's invested assets was valued was the authorized basis adopted by the federal insurance department in 1933.

Total income in 1933 was about 5 per cent lower than in the previous year, almost the whole of the decrease taking place in premium income. Income of $152,000,000 resulted in an excess over disbursement of almost $25,000,000 as compared with $13,000,000 in 1932. The favorable mortality rate, reduction of dividend payments to policyholders and savings in expenses more than offset increased payment in respect of cash surrender values. The principal saving was in dividends to policyholders which were $16,000,000 compared with $22,000,000 a year ago.

Although interest earnings were sharply lower in 1933 the company reports average earnings on mean invested assets during the past four years at 4.97 per cent.

Officers—
T. B. Macaulay, chm. of the board; A. B. Wood, pres. and man. dir.; E. A. Macnutt., vice-pres. and treas.; C. S. V. Branch, 2nd vice-pres.; G. W. Bourke, actuary; J. J. Cooper, J. B. Mahon, and C. D. Rutherford, asst. actuaries; H. W. K. Hale, sec.; E. E. Duckworth and D. L. Macaulay, asst. secs.; H. P. Thornhill, asst. treas.; J. W. Brown, investment sec.; J. W. Simpson, chm. agency executive committee; J. S. Ireland, F. D. Macorquodale, H. M. Moore, W. S. Penny, supt. of agencies; G. H. Harris, supv. field service bureau; C. E. Reid, supv. group dept.; J. A. Ewing, K.C., legal adviser; C. C. Birchard, chief medical officer; J. K. Gordon, A. W. Young, asst. medical officers; W. F. Hamilton, consulting medical referee; H. O. Leach, gen. mgr. British dept.; I. A. Miller, res. actuary, British dept.

Directors—
Representing shareholders: T. B. Macaulay, A. B. Wood, R. Adair, E. W. Beatty, K.C.; J. R. Dougall, Sir H. S. Holt, J. W. McConnell, C. Riordon, Hon. L. C. Webster, E. A. Macnutt, all of Montreal; Hon. L. A. Taschereau, Quebec; Hon. J. C. Tory, Halifax.
Representing policyholders: W. M. Birks, Hon. R. Dandurand, K.C.; R. H. McMaster, A. B. Purvis, J. W. Ross, all of Montreal; C. B. McNaught, Toronto.

Field of Operations—
Canada, Newfoundland, Bermuda, 42 states, districts and territories of the U. S. A., Cuba, Porto Rico, Santo Domingo, Haiti, Philippine Islands, British Honduras, Nicaragua, Guatemala, British West Indies, Curaçao, British, French and Dutch Guiana, Peru, Chile, Argentine Republic, Great Britain, Northern Ireland, Irish Free State, Malta, Siam, Syria, Palestine, Union of South Africa, Southern Rhodesia, Egypt, India, Burmah, Ceylon, Straits Settlements, Netherlands, East Indies, Federated Malay States, China, Japan and Hong Kong.

Capital—	
Authorized	$4,000,000
Subscribed	2,000,000
Paid-up	2,000,000

Growth of Business

Year	Assets $	Business in Force ($ 000)	New Ins. Paid for ($ 000)
1912	49,605,616	183,147	30,814
1917	90,160,174	313,089	47,811
1922	174,088,858	633,873	90,798
1927	401,305,884	1,538,910	328,408
1931	624,804,455	3,051,077	527,635
1932	611,436,153	2,928,952	284,098
1933	642,146,035	2,770,454	216,567

Percentage Analysis of Assets

	1933 %	1932 %	1931 %	1930 %
Bonds:				
Government	8.2	6.6	6.5	3.7
Municipal	2.2	2.2	2.6	2.3
Other	9.3	10.6	11.5	9.9
Total bonds	19.7	19.4	20.6	15.9
Stocks:				
Preferred	3.3	3.9	5.7	5.6
Common	48.1	49.4	48.9	52.8
Mortgages	4.7	4.9	5.0	5.6
Real estate	4.5	4.5	4.3	4.3
Policy loans, etc.	16.4	16.5	14.1	12.9
Other assets	3.3	1.4	1.4	2.9
	100.0	100.0	100.0	100.0
Int. Earned*	4.08	4.22	5.13	6.44

*On mean invested assets.

Type of Business Written:	Business in Force Dec. 31, 1933
(a) Par.	2,261,200,776
(b) Non-par.	185,340,304
Group	323,912,791

New York Life

Almost All Business in Canada on Participating Plan

New York Life Insurance Co. commenced business in Canada in 1868 and now has $170,120,000 of business in force in Canada. All business in Canada is written on the ordinary plan and 95 per cent of the outstanding business is participating.

New paid for insurance in Canada in 1933 declined somewhat from the 1932 total, the comparative figures being $6,101,706 and $8,966,201.

Total assets in Canada at Dec. 31, 1932, the latest available, amounted to $50,083,000. Distribution of the chief assets at that time was as follows: bonds and debentures $28,915,000 ($24,143,000 held by receiver-general); mortgage loans $7,522,000; loans to policyholders $9,698,000 real estate $784,000.

Some idea of the magnitude of the company's operations on this continent is indicated by the fact that total assets at the end of 1933 were almost at the $2,000,000,000 mark while total business in force was over $6,860,000,000.

Head Office—51 Madison Ave., New York, N.Y.

Head Office in Canada—Montreal Trust Bldg., Montreal.

Chief Agent in Canada—P. V. Raven, Montreal.

Growth of Business

Year	Assets $	Business in Force ($ 000)	New Ins. Paid-for* ($ 000)
1912	13,593,281	59,119	9,217
1917	18,514,045	79,228	10,877
1927	34,114,255	172,043	20,342
1931	48,529,000	194,494	11,039
1932	50,082,617	185,382	8,966
1933	......	170,120	6,102

Entire Operations (U.S. & Canada)

Total assets	$2,010,943,112
Total bus. in force, Dec. 31, 1933	6,869,268,269
Total new ins. paid for, 1933	378,669,800

*Includes bonus additions.

	1933 %	1932 %	1931 %
Interest earned*	4.56	4.97	5.08

*On mean invested assets.

Home Investment & Savings Mortgage Interest Steady

The annual statement of Home Investment & Savings Association, Winnipeg, shows a very moderate increase during 1933 in interest due and accrued on mortgages and agreements of sale, after reserve for losses. At December 31, 1933, this item was $53,423 and not $153,423 as previously reported in error in The Financial Post. At the end of 1932 interest due and accrued on mortgages and agreements of sale was $50,460.

As in 1932, quick assets of the company, including cash, Dominion, provincial and municipal bonds, exceeded deposit liabilities. At the end of 1933 there was held $175,211 of government and municipal bonds, at market value, and $39,154 in cash. At the same date deposit liabilities included $164,299 of deposits on call and $31,102 of deposits for a fixed term.

ONE OUT OF FIVE POLICIES NOT TAKEN

Million Policies a Year Written But Not Taken Up

More than one million life insurance policies written in the United States during 1932 were not taken up by the applicants. The cost of issuing these policies ranged from $5 to $10 each, depending on whether or not a medical examination had been made. Charging back a not-taken fee to the agent did not provide a reliable check on the number of cases which were not placed. This check was best maintained by carefully kept records, by separating additional and alternate policies from other not-taken business and by insisting that some cash settlement be made at the time the application was completed.

These are some of the facts brought out in a survey of not-taken business published by the Sales Research Bureau of Hartford, and sent out to its member companies. Data for the study was gathered from eighty-one companies, members either of the Research Bureau or the Life Office Management Association, which had in force over 85 per cent of the life business in the United States and Canada.

20 Per Cent Not Taken

Taken as a whole the group which reported, it was found that 20 per cent of the total number of policies issued during the year were not taken. These policies covered 27 per cent of the total face value of all the policies, which indicated that there was a higher rate among the larger policies.

"During 1932, there were approximately four and one-half million new ordinary policies paid for in the United States. This means that there must also have been over a million other policies issued but not taken. When we stop to consider the medical cost only of issuing that many policies, the waste from this source becomes apparent. Added to the cost of the medical examination and the inspection report is the fact that a not-taken policy requires as much clerical routine for its issuance as does the policy which is eventually placed. In practically all of the large companies and in a majority of the smaller companies, the entire set of records is prepared at this time. From various studies of costs, it appears that the Home Office cost of underwriting and issuing a policy is from $4 to $6. The costs per policy on the medically examined cases therefore are at least $10. These figures are rough, but sufficiently accurate to indicate that the expense of not-taken policies is no insignificant item.

"Companies with both good and poor experience kept not-taken records by agencies, and some even by agents. From this we judge that it is not the records so much as how the records are used that makes the difference. In a Canadian company having a low not-taken rate, the agency department not only prepares not-taken rates by individual agents yearly, but also discusses these very carefully with each manager. The idea that an agent's not-taken rate reflects the type of selling he is doing was quite prevalent.

"One company wrote that an investigation of individual agents who had high rates 'usually' indicated slipshod ways of taking settlements and poor closing tactics.' This same company discovered that emphasis placed on consecutive weekly production, giving credit for written rather than for paid-for business was resulting in agents sending in applications which were not filled. They abandoned giving cash rewards for consecutive weekly production and placed strong emphasis on getting cash with application.

"Cash with applications is another bulwark of companies with low not-taken rates. As we read the letters from these companies, such phrases as 'issue a low percentage of C. O. D. cases,' 'continuous insistence that our agency organization secures some kind of settlement when application is taken,' and 'stress at agency conventions and through agency bulletins on practice of agent getting settlement, either note or cash when he takes the application,' appear again and again."

Why I Sell Life Insurance

Told to The Financial Post by a Canadian Life Underwriter

I am in the life insurance business because it means more than figures to me.

In our family the fourth generation is beginning to benefit from Canadian life insurance policies taken out by my grandfather in the middle of the last century.

My grandfather was a lawyer in a small Ontario town. He left this world in his forties, leaving a big family, a big house and a hundred thousand dollars of life insurance.

His friends said he was crazy when he took up that newfangled notion where you got your chest thumped by the family doctor and then paid a premium to a life insurance agent who in those days occupied a social position something beneath that of the bartender.

The old gentleman's wife—my grandmother—outlived him by exactly fifty years. She kept open house and in keeping with the Victorian era, married off all eight daughters.

Sent Nineteen Grandchildren to School

She then enjoyed using her income to send nineteen grandchildren to good schools and universities. Before we grandchildren had graduated three of her daughters were widows and she and her trustees helped them out with incomes. Her's was a happy old age.

Today, my mother and three of her sisters are elderly widows, each with an income sufficient for their needs provided by the grandfather's and their husbands' life insurance.

My youngsters look forward with joy to going on a visit to their Granny every summer, sleeping in a tent and playing Indians in the garden that she loves. Her cottage in the old town is really the family headquarters. She derives keen pleasure from her relief work. Her's also is a happy old age.

I would like to shake the hand of the life insurance agent who got my grandfather interested. His wares seem to have stood the test of time better than those of his social superior, the bartender, who banked for some of the old gentleman's friends and who must have questioned his sanity.

That is why I sell life insurance.

Imperial Life

Improved Reserve Position Shown in 1933 Statement — Business in Force Now Totals $280,000,000

Imperial Life Assurance Co. with head office in Toronto, has been doing business in Canada under a federal government license since 1897. It now ranks among the first ten companies in Canada and at the end of 1933 had total assets amounting to $68,573,416. Total business in force at the end of 1933, amounted to $279,718,959, in 101,770 policies. About $250,000,000 of the business in force is participating ordinary business and there is a small amount of group insurance.

Maintenance of surplus within 6 per cent of the 1933 figure after an appropriation of over $900,000 for revaluation of ledger assets was reported in the 1933 statement. Stocks, bonds and debentures were written down to "substantially less" than the amount authorized by the federal insurance department, according to the company. In addition to the free surplus at the end of the year of $3,169,400 and contingency reserve of $1,000,000, the company's provision for insurance and annuity liability exceeds government requirements by over $1,100,000.

Dividends Higher

The company also announced a slight increase in the scale of dividends to policyholders.

New business issued and revived during the year totalled $24,734,000, a decline of 9.4 per cent from the corresponding figure of 1932. Total business in force was 4 per cent less than the 1932 total.

Imperial Life does business in all parts of Canada and in Newfoundland, Great Britain, practically all parts of the British West Indies, and the States of New York and California. Operations are also carried on in Central America.

In its early history, Imperial Life invested most of its money in improved western first mortgages on farm lands, in 1910 these representing 68 per cent of invested funds. This proportion was gradually decreased until at December 31, 1933, only 22.6 per cent of the invested assets of the company was invested in mortgages.

Since its inception the company has paid to policyholders over $72,000,000, the amount paid out in 1933 alone being $9,083,997.

Officers—
G. A. Morrow, pres.; S. J. Moore and E. T. Malone, K.C., vice-pres.; J. F. Weston, man. dire.; G. C. Moore, asst. gen. mgr; D. Matheson, secty.; J. G. Parker, actuary; H. T. Roesler, treas.; H. Hunt, supt. of agencies; H. B. Anderson, M.D., chief medical referee.

Directors—
Representing shareholders: E. T. Malone, K.C.; S. J. Moore, G. A. Morrow, Mark H. Irish, J. F. Weston, F. P. Wood, J. P. Bickell, J. W. Mitchell, all of Toronto; Sir H. S. Holt, Montreal; W. G. Morrow, Peterborough.
Representing policyholders: Sir J. Aird, D. B. Hanna, H. H. Williams, Toronto; Hon. P. Burns, Calgary; Hon. D. Raymond, Montreal.

Field of Operations—
Canada, Great Britain, Bermuda, Newfoundland, Antigua, Barbados, Cuba, Dominica, Grenada, Haiti, Jamaica, St. Kitts, St. Lucia, Trinidad, British Honduras, Guatemala, Honduras, Nicaragua, Porto Rico, Salvador, British Guiana, and the states of New York and California, U. S. A.

Capital—	
Authorized	$1,000,000
Subscribed	1,000,000
Paid-up	1,000,000

Dividends Paid on Capital Stock—15 per cent per annum.

Type of Business Written:	Issued (net) 1933 $	Business in Force Dec. 31, '33 $
Ordinary	21,186,620	277,201,185
(a) Par.	18,156,167	......
(b) Non-par.	3,030,453	......
Group	198,000	2,349,875

Growth of Business

Year	Assets $	Business in Force ($ 000)	New Ins. Paid for ($ 000)
1912	8,134,420	38,735	7,852
1917	14,283,845	63,362	13,088
1922	24,928,718	140,026	24,826
1927	45,242,682	242,132	41,795
1931	66,147,753	301,467	28,206
1932	67,465,960	291,381	23,436
1933	68,573,416	279,719	18,683

Percentage Analysis of Invested Assets

	1933 %	1932 %	1931 %	1930 %
Bonds & deben.	46.9	45.9	46.9	48.5
Pref. & c. stks.	3.4	3.7	3.9	4.0
First mtges.	22.6	23.4	24.4	24.2
Real estate	3.0	2.6	2.3	2.0
Policy loans	22.0	22.6	21.9	20.4
Cash & other ledg. assets	2.1	1.8	.6	.9
	100.0	100.0	100.0	100.0
Int. earned†	5.36	5.52	5.82	6.00

† On mean invested assets.

Mutual & Citizens

Australian Company Important Writer of Industrial Business

Mutual Life & Citizens Assurance Co., the head office of which is at Sydney, New South Wales, Australia, commenced business in Canada toward the end of 1913, operating under a Dominion license. Total business in force in Canada at December 31, 1933, amounted to $30,354,726, of which $14,322,000 was written on the ordinary plan and $16,032,000 was industrial business.

New business written in 1933 amounted to $5,500,246 of which $4,668,557 was industrial business.

Ledger assets at December 31, 1932—the latest available—amounted to $7,172,361. Of this total $6,804,627 represents the market value of bonds, debentures and debenture stocks owned by the company and deposited with the receiver-general, for the protection of Canadian policyholders. Loans to policyholders totalled $292,834 to which is added advances to policyholders on the automatic non-forfeiture provision of $74,000.

Type of Business Written (in Canada):	Issued (net) 1933 $	Business in Force Dec. 31, '33 $
Ordinary: (a) Par. (b) Non-par.	872,772	14,322,358
Group	......	......
Industrial	4,668,557	16,032,368

Aetna Life

First U. S. Company to Enter Canada, Starting in 1850

Commencing business in Canada in 1850, Ætna Life Insurance Co. is the oldest American company operating in the Dominion. Ordinary and group insurance are both written and business in force at the end of 1933 totalled $82,247,126. Of this amount, $48,491,935 is ordinary and $33,755,291 is group insurance.

Business paid for in 1933 amounted to $3,946,160, a considerable decline from the total recorded the previous year. Of this amount, $2,371,000 was ordinary life business and $1,575,000 group insurance.

During 1933, the sum of $1,897,000 was paid to Canadian policyholders.

Assets in Canada at the end of 1933 amounted to $12,545,358, this amount being held on deposit by the receiver-general in the form of bonds, debentures, and stocks for the protection of Canadian policyholders.

Head Office—Hartford, Conn., U.S.A.

Head Office in Canada—160 St. James St., Montreal.

Classes Written in Canada—Ordinary and group. Par and non-par.

Type of Business Written (in Canada):	Issued (net) 1933 $	Business in Force Dec. 31, '33 $
Ordinary	2,889,067	48,491,935
Group	1,575,391	33,755,291

Growth of Business in Canada

Year	Assets ($ 000)	Business in Force ($ 000)	New Ins. Paid for ($ 000)
1927	10,402	85,243	9,211
1928	10,818	86,312	7,210
1929	11,551	105,947	19,479
1930	12,805	99,739	9,287
1931	12,949	92,258	10,245
1932	13,067	83,881	4,817
1933	......	82,247	3,946

Entire Operations (U.S. and Canada)
Total Assets, December, 1933—$448,773,067.
Total Insurance in Force, December 31, 1933—$3,322,390,652.
New Business Paid for, 1933—$523,163,537.

	1933 %	1932 %	1931 %
Interest earned*	4.38	4.72	4.78

*On mean invested assets.

Bruck Silk Mills Plan Stock Increase

From Our Own Correspondent

MONTREAL. — Bruck Silk Mills' shareholders were called to a special meeting on March 16 to ratify an increase in capitalization of the company from 100,000 to 150,000 shares. Of the additional shares, it is reported that 250,000 will be issued shortly after the meeting.

Keynes Thinks Interest Rates Heading Down

Of far-reaching importance to life insurance companies and indirectly to policyholders themselves, is the probable trend of interest rates over the next decade.

Chief in the van of those who predict a lower interest rate is J. Maynard Keynes, eminent British economist and chairman of the board of the National Mutual Life Assurance Society. Although he is speaking primarily of Great Britain his remarks of very definite forecast of lower rates, made at the company's annual meeting last month, are significant.

He said in part:

"There is, surely, overwhelming evidence that even the present reduced rate of 3½ per cent on long-term gilt-edged bonds is far above the equilibrium level—meaning by 'equilibrium' the rate which is compatible with the full employment of our resources of men and of equipment. It is often forgotten that 3½ per cent is much in excess of the average yield on Consols, which ruled over the 40 years previous to the war—namely, just under 3 per cent—or even the average yield which ruled over the 80 years from 1835 to 1914—namely, just over 3 per cent.

"With the opportunities for safe and profitable investment abroad greatly curtailed, as much by the unfortunate results of past investment as by the diminished opportunities for new investment, Great Britain and the United States would, if they were to return to the full employment of their resources, save sums so vast that they could not possibly be invested to yield anything approaching 3½ per cent. No one can foretell at what point the rate of interest will reach its equilibrium level until we actually approach it. But it is highly probable that the equilibrium rate is not above 2½ per cent for long-term gilt-edged investment, and may be appreciably less.

"The further we move from the abnormal rates of the War period, the clearer, I believe, will it become to every one that our economic health needs a rate of interest appreciably below, and not above, the nineteenth-century level. There is no harm in the fall of the rate of interest being gradual, but it is a necessity for the epoch into which we are now entering that there should be a steady movement in the downward direction. In each of the last three years, I have ventured, in addressing you, to predict a falling rate of interest. I say today with undiminished conviction that we are still some way from the end of the journey, and that the course of events which I forecast three years ago will still continue in the same direction."

National Life

Investment Reserve Increased in 1933 — Business in Force Maintained

National Life Assurance Co. of Canada with head ofice at Toronto has been operating under a federal license since 1889. In that time total assets and business in force have steadily increased and now amount to $11,552,874 and $55,532,044 respectively. Other than about $500,000 of group insurance, business in force on the company's books is entirely ordinary.

A small gain in assets and a $350,000 increase in investment reserve is reported for 1933 statement. New business issued and revived during the year amounted to $8,210,000 a decrease of only 4 per cent from the same figure of 1932. Total business in force at the end of the year was lower by 6 per cent.

The company shows its bonds and stocks in the balance sheet at cost or book values and against these it has this year increased its investment reserve from $400,000 to $750,000.

Many Municipal Bonds

In addition to operating in all the provinces in Canada, the company also carries some business in Bermuda and Michigan, U.S.A.

A feature of the company's investment portfolio is the high proportion of municipal bonds held. At the end of 1933, Government and municipal bonds totalled over 70 per cent of assets, municipal bonds alone accounting for about 50 per cent. Policy loans, at $2,222,000, are approximately 20 per cent of total assets and the only other large item in the company's ledger.

Officers—
A. H. Beaton, pres.; A. A. MacDonald, M.D., (Edin.), vice-pres. & med. dir.; F. Sparling, man. dir.; J. W. Fisher, B.A., actuary, and R. M. Huestis, mgr. of agencies.

Directors—
Representing Shareholders: A. H. Beaton, A. A. MacDonald, M.D., F. Sparling, R. Emmett Cox, Toronto; Rt. Hon. G. P. Graham, Brockville; Hon. R. Lemieux, K.C., Ottawa.
Representing Policyholders: Col. A. E. Kirkpatrick, E. W. Bickle, Toronto; Hon. E. M. MacDonald, K.C., Pictou, N.S.

Field of Operations—
Canada, Bermuda, State of Michigan.

Capital—	
Authorized	$1,000,000
Subscribed	1,000,000
Paid-up	250,000

Dividends Paid—10% per annum.

Growth of Business

Year	Assets $	Business in Force ($ 000)	New Ins. Paid for ($ 000)
1912	2,093,281	18,403	5,379
1917	3,755,420	22,687	4,338
1922	6,155,137	37,129	7,341
1927	8,477,959	48,890	10,332
1931	11,158,000	60,590	7,603
1932	11,433,390	59,094	8,539
1933	11,552,874	55,532	5,713

	1933 %	1932 %	1931 %
Interest earned*	5.36	5.68	5.65

*On mean invested assets.

Electrical Goods Survey Prepared by Metropolitan

From Our Own Correspondent

MONTREAL.—The extent to which manufacturers and wholesalers in the electrical industry distribute "selectively" and the procedures followed among those who do, is outlined in the survey prepared by the Policyholders' Service Bureau of the Metropolitan Life Insurance Co.

Forty manufacturers of electrical products and equipment and 16 wholesalers contributed information. According to the report, 23 of the 40 manufacturers employ selective distribution to some extent; all the wholesalers have selective distribution arrangements for certain products with one or more manufacturers, and some were found to be selective in their choice of retail outlets for these products.

The report states that two reasons for favoring selective distribution stand out among the variety given. These are, first, the desire to establish a closer working relationship between manufacturer and wholesaler and thereby put more aggressive sales efforts behind the products. The second reason is to stabilize price on a profitable basis.

Copies of this report may be had by addressing the Policyholders' Service Bureau, Metropolitan Life Insurance Co., Ottawa.

A Quarter Century of Helpful Service

On the twenty-fifth anniversary of the beginning of its service in Canada, our company has reason to feel very proud, and very grateful.

* * *

Our Canadian staff, now numbering more than 1,300, has been privileged to deliver over 130,000 death claim payments, besides the proceeds of many matured endowments.

* * *

Total payments to Canadian members and their beneficiaries exceed $96,260,000. For the year 1933 alone these payments were more than $14,300,000.

* * *

We have approximately 1,400,000 policies in force in Canada. Few companies in any country have so many policies in proportion to population. Canadians believe in life insurance and like to deal with our company.

Branch Offices in All Leading Canadian Cities.

THE PRUDENTIAL HAS THE STRENGTH OF GIBRALTAR

The Prudential Insurance Company of America

EDWARD D. DUFFIELD
President

Home Office
NEWARK, NEW JERSEY

Outlook for Gurds More Promising Now

From Our Own Correspondent

MONTREAL. — Conditions in the Montreal aerated water trade have undergone an improvement since the beginning of the year, certain harmful practices have been eliminated to a large degree and the outlook has been brightened to that extent, according to statement made by A. McA. Murphy, president of Chas. Gurd and Co., at the annual meeting of the shareholders.

In commenting upon operations last year, Mr. Murphy drew attention to the sugar tax. While the companies using large quantities of sugar anticipated a moderate tax, the actual tax imposed increased the cost of sugar by approximately 45 per cent. This was a serious increase as applied to basic ingredients. It amounts, Mr. Murphy said, to practically parallel the preferred dividend requirement of the company. Mr. Murphy stated that no tax so severe, on a commodity so basic, and so discriminating in application to industry or commerce, is justifiable and urged the shareholders to use their influence in having this tax removed or at least greatly modified.

MUTUAL LIFE OF CANADA

Classification of the Assets of the Company
as at December 31st, 1933

	Amount	Percentage of total
Bonds	$ 55,854,547.58	40.21%
Subdivided as follows:		
Governments .. $22,195,896.31 (Canadian only — Federal and Provincial)		
Municipals 19,891,976.32		
Railways 1,391,014.15		
Public Utilities 4,418,887.82		
Industrials 3,695,850.26		
Parochial and Miscellaneous 4,260,922.72		
Stocks (Preferred and Common)	1,403,334.49	1.01
Mortgages and Sale Agreements	40,733,918.75	29.32
Loans to Policyholders	29,342,098.04	21.12
Real Estate	3,814,087.71	2.75
Cash on Hand and in Banks	1,268,458.46	.91
Other Ledger Assets	105,517.47	.08
Due and Deferred Premiums	2,826,166.77	2.03
Due and Accrued Interest	3,550,858.08	2.56
Amounts Due from Re-assuring Companies	13,520.23	.01
Total	$138,912,507.58	100.00%

The strength of this Company is reflected in the statement of assets shown above. Careful management through the years has resulted in an institution which is one of the largest and strongest in Canada.

When you need insurance, consider the 64-year record of the MUTUAL Canadian company and present your insurance problems to one of our representatives.

Let the Strength of the Mutual be Your Protection

THE MUTUAL LIFE OF CANADA
Home Office - Waterloo, Ontario
Established 1869

Life Insurance Emerges Triumphant

Billions Paid Out Relieve Suffering and Want

The institution of life insurance has emerged triumphant from the greatest business depression of modern times. So pointed out Mr. Arthur P. Earle, President of the Montreal Life Insurance Company, at the Annual Meeting of this company. During the past four years the life insurance companies on this continent were subjected to tremendous demands from policyholders for loans and cash surrender values. Death and Disability claims increased, the latter to alarming proportions. In addition to this severe drain on resources, policy terminations were abnormally high, while new business fell off to a considerable degree. To add to these burdens, there was a marked decrease in the market value of Bonds and Stocks and a troublesome time with Loans on Real Estate.

AN ENVIABLE RECORD

Every demand was met promptly, one hundred cents on the dollar. Canadian Life Insurance companies did not ask for any moratorium on loans and surrenders, nor seek any financial assistance from the Government. Security losses were absorbed and expenses adjusted to meet changed conditions. Now that the long protracted depression seems to be over and as we stand at the dawning of a new day, it is abundantly evident that life insurance has established an enviable record. Canadians may well be proud of their life insurance companies. Such companies stand forth to-day as strong and rugged institutions, capable of resisting any shock. No policyholder has ever suffered loss through the failure of a Canadian legal reserve Life Insurance company.

The billions of dollars paid out by the life insurance companies of Canada and the United States in the past four years did much to relieve suffering and want and perhaps prevented a complete financial and business debacle. Thus were the savings of millions of policyholders made readily available when there was urgent need.

MONTREAL LIFE INCREASES POLICY DIVIDENDS

The report of the Montreal Life Insurance Company for the year 1933 was highly satisfactory. There was a small decrease in new business and premium income, this being in line with the general experience. This company had adopted the economically sound policy of reducing policy dividends so as to conserve resources during difficult times. As a result of this precautionary measure and of the improvement in security values, the financial position of the company has been strengthened to such extent that the Directors decided upon a substantial increase in policy dividends payable in 1934.

NO LOSS ON MORTGAGES

Mr. Earle drew attention to the favourable experience of the Montreal Life with loans on real estate. Only nine properties were taken over during 1933, and these are rented so as to bring a satisfactory return. There was not a single loan where interest was in arrears for twelve months. The opinion was expressed that this company would experience no loss whatever through its mortgage investments, a record that is perhaps unparalleled on the American Continent at the present time.

SURPLUS OVER ALL LIABILITIES

The President pointed with justifiable pride to the fact that if all other investments were carried into the account at the present market values, the company would have a Surplus over all liabilities and capital. Here also the Montreal Life occupies an enviable position.

Mr. Arthur P. Earle
President of the Montreal Life Insurance Company, whose Annual Report has just been published.

At the close of the year the Montreal Life had Assets of $5,446,115.31 and Insurance in Force of $36,770,265. Net Premium Income for the past year was $1,020,118.35 and Income from Investments $262,259.86. Policy Reserves stood at $4,632,360.64 on December 31st, these reserves being in excess of statutory requirements. The average rate of interest earned on investments in 1933 was 5.54 per cent, a result achieved without taking any credit for interest in default and one that attests to the high character of the company's assets.

Mr. Earle spoke hopefully as to the future and expressed the opinion that the expected improvement in business conditions should enable the company this year to make advances in all departments.

The Directors passed a vote of thanks to the members of the Field Force and Home Office for loyal and efficient services rendered during the past year.

More than One-Seventh

of Life Insurance purchased by
the Canadian public in 1933

Bought from London Life

CANADIANS endorsed The London Life to the extent of more than one-seventh of their total purchases of Life Insurance last year.*

This Company is characterized by its strong financial position and "returns to policyholders." It has built its business on the two-fold basis of security and service.

If you desire Life Insurance for family protection, or as an investment to provide a retirement fund for yourself, you cannot do better than secure a London Life policy fitted to your particular needs.

*There are approximately forty life insurance companies actively conducting business in Canada.

Established 1874
London Life
Insurance Company
"Canada's Industrial-Ordinary Company"
HEAD OFFICE - LONDON, CANADA
1874 - Diamond Jubilee - 1934

Canada Life

Oldest Canadian Life Insurance Company Reports Good Gain in Assets in 1933 — New Paid-For Business $53,000,000

Canada Life Assurance Co. is the oldest life insurance company in Canada and the second largest with head office in the Dominion. From the Toronto head office, operations are carried on in all parts of Canada, Great Britain, Northern Ireland and the Irish Free State, 14 States in the U. S. A., Newfoundland, Bahamas, Bermuda, Jamaica and Hawaii.

A gain of nearly $10,000,000 or 5 per cent in total assets and a slight increase in free surplus after writing ledger assets down by $2,334,000 is reported in the 1933 annual statement. Total assets now stand at $226,843,000 the highest figure in the company's history.

New business issued and paid for by the company showed a sharp decline in 1933, the former figure being lower by 36 per cent and the later by 34.8 per cent as compared with 1932. Paid for business totalled $52,688,000 as compared with $80,536,000 in 1932. Total business in force at the end of the year was $852,668,000 a decline of 7.8 per cent of the 1932 figure.

Annuities Increase

A feature of the 1933 underwriting was the sharp increase in the amount received in consideration of annuities. The 1933 figure was $10,180,000 as compared with $7,780,000 in 1932 or an increase of 30 per cent. The increase in this type of business is better shown by the fact that the 1933 figure is 80 per cent greater than that for 1931.

The gain in assets was due to an increase of over $11,000,000 in the company's holdings of Government and municipal bonds. During the year the company had available from income, for new investment, over $9,000,000. For balance sheet purposes, the company's assets are all shown on the basis of book values which, it is pointed out, are in total less than would be the case if the values officially established by the federal insurance department had been used. Values of industrial and other bonds show an increase while mortgages and policy loans are lower than a year ago. Contingency reserve is unchanged at $2,000,000 while free surplus is higher than in 1932 by $70,100 after writing down ledger assets by $2,234,000.

Payments of $28,058,000 were made during 1933 under the company's contract in settlement of death claims, matured endowments, dividends, annuities and cash values for surrendered policies. Of this amount the sum of $19,887,000 was paid to living policyholders.

Officers—
Leighton McCarthy, K.C., pres.; H. C. Cox, chm. of the board; E. R. Wood, vice-pres.; A. N. Mitchell, gen. mgr.; W. A. P. Wood, asst. gen. mgr. and actuary; A. G. Ramsay, asst. gen. mgr. and gen. supt.; W. Hastie, asst. gen. mgr. and treas.; L. K. File, assoc. actuary; J. H. Domelle, sec.; H. C. Scadding, med. dir.; R. G. McDonald and S. C. McEvenue, supts.; R. E. Woodcock and E. C. Gill, asst. treas.; J. D. Williamson and J. G. Beatty, asst. actuaries; S. J. Streight and J. A. Roberts, asst. med. directors; H. N. Watts and R. J. Trenouth, asst. supts.; A. G. Dalrymple, W. J. Sheppard and F. W. White, asst. secs.

Directors—
Representing Shareholders: Leighton McCarthy, K.C.; H. C. Cox, E. R. Wood, C. A. Bogert, R. A. Laidlaw, J. A. McLeod, A. N. Mitchell, W. N. Tilley, K.C., all of Toronto; A. V. Davis, Pittsburgh; J. Stuart, Chicago.
Representing Policyholders: A. E. Ames, W. E. Rundle, Rt. Hon. Sir T. White, Toronto; Aimé Geoffrion, K.C., Montreal; Hon. C. Stewart, Ottawa.

Field of Operations—
Canada, Great Britain and Northern Ireland, the Irish Free State, 14 states of the U.S.A., Newfoundland, Bahamas, Bermuda, Jamaica and Hawaii. In the United States 14 branches are maintained, covering the following states: Alabama, California, Florida, Illinois, Maine, Michigan, Minnesota, New Hampshire, New York, Ohio, Oregon, Pennsylvania, Texas and Washington.

Capital—Authorized	$1,000,000
Subscribed	1,000,000
Paid-up	1,000,000

Dividends Paid on Capital Stock—20% per annum.

Type of Business Written:	Issued (net) 1933 $	Business in Force Dec. 31, '33 $
Ordinary	47,025,564	767,658,183
(a) Par.	40,431,166	731,118,722
(b) Non-par.	6,594,398	36,539,461
Group	9,520,753	85,010,151

Growth of Business

Year	Assets $	Business in Force ($ 000)	New Ins. Paid for ($ 000)
1912	48,301,523	144,878	15,512
1917	62,580,337	183,017	21,369
1922	86,654,498	360,981	64,521
1927	140,580,678	769,982	146,492
1931	204,776,019	1,029,759	87,726
1932	216,886,246	926,390	80,536
1933	226,842,892	852,668	52,688

	1933 %	1932 %	1931 %
Interest earned*	4.90	5.34	5.80

*On mean invested assets.

Continental

Assets and Income in 1933 Higher Than Year Ago

Continental Life Insurance Co. with head office at Toronto was incorporated in 1889 under Ontario Letters Patent. Two years later, a Dominion license was obtained. Since that time the company has expanded its business to all parts of Canada, and at the end of 1933 had total business in force of $35,184,825, this being a decrease of 6 per cent from the 1932 figure.

Increased, income and policy reserves and a volume of new business issued during the year almost equivalent to the corresponding figure of 1932 were reported in the 1933 annual statement. New business issued in 1933 was $5,642,000, slightly less than $50,000 below the 1932 figure. Total assets at the end of 1933 amounted to $7,858,986 of which bonds and debentures at $2,811,000 formed the largest part. First mortgages and real estate amounting to $2,302,000 and loans on policies of $1,451,000 were the other important items.

Bond Holdings Up

The gain in total assets is due to an increase in the amount of bonds and debentures held by the company which more than offset a lower amount for mortgages. Policy loans are practically the same as a year ago.

Ledger assets as shown in the balance sheet are at cost or book values but a deduction of $25,000 has been made to adjust these figures with those allowed by the federal insurance department. The company states that its assets, policy reserves and surplus now stand at the highest point in its history. Free surplus is $400,000 higher than the corresponding figure a year ago.

Officers—
J. W. Hobbs, pres.; Dr. H. W. Aikins, 1st vice-pres.; S. Jones, 2nd vice-pres.; N. J. Lander, man. dir.; J. Hunter, actuary; Charles H. Fuller, sec.

Directors—
Representing Shareholders—G. B. Woods, Dr. H. W. Aikins, S. Jones, N. L. Paterson, R. Southam, W. A. Medland, W. A. Denton, G. H. Smith, G. H. Fensom, all of Toronto; Sir G. Garneau, Quebec.
Representing Policyholders—E. E. Sharpe, Winnipeg; J. W. Hobbs, J. T. Richardson, G. H. Muntz, all of Toronto; W. A. Dryden, Brooklin.

Capital—	
Authorized	$1,500,000
Subscribed	1,000,000
Paid-up	200,000

Type of Business Written:	Issued (net) 1933 $	Business in Force Dec. 31, '33 $
Ordinary:		
(a) Par.	2,956,327	27,063,083
(b) Non-par.	1,906,107	8,065,742
Group	19,000	56,000

Growth of Business

Year	Assets $	Business in Force ($ 000)	New Ins. Paid for ($ 000)
1912	1,462,367	8,524	1,726
1917	2,372,890	12,031	2,075
1922	3,656,247	20,128	3,192
1927	5,650,119	32,779	5,069
1931	7,539,000	38,809	4,300
1932	7,722,928	37,433	3,733
1933	7,858,986	35,185	3,357

	1933 %	1932 %	1931 %
Interest earned*	5.47	5.80	5.95

*On mean invested assets.

SAUVEGARDE WRITES MAINLY IN QUEBEC

Leading French-Canadian Company Has $27,000,000 Business in Force

Organized in 1908 with head office at Montreal, La Sauvegarde Life Insurance Co. operated under Quebec license for nine years and then was licensed under Dominion supervision.

The company is the leading French-Canadian life insurance company operating in Canada, total business in force at the end of 1933 amounting to $26,931,136. This figure shows a decline of $1,500,000 from the total at Dec. 31, 1932, and is $4,200,000 below the peak of 1930.

Business paid for in 1933 amounted to $2,975,859 of which about two-thirds was non-participating ordinary and one-third participating ordinary.

Officers—
Narcisse Ducharme, pres. and mgr.; Sir H. Laporte, 1st vice-pres.*; L. M. Lymburner, 2nd vice-pres.; Jean Pasquin, sec.; Pierre Camu, actuary.

Directors—
Representing shareholders: Narcisse Ducharme, Hon. Sir H. Laporte*, L. M. Lymburner, C. A. Roy, all of Montreal; Alphonse Milette, Terrebonne, Que.
Representing policyholders: R. R. Bachand, N.P., Waterloo, Que.; Adjutor Cote, N.P., Montreal; Arthur Vallee, K.C., Outremont.
*Deceased.

Capital—Authorized	$2,000,000
Subscribed	1,196,000
Paid-up	232,440

Classes of Business Written:	Issued (Net) 1933 $	Total in Force Dec., 1933 $
Ordinary business:		
Participating	1,214,486	16,316,929
Non-par	2,789,937	10,152,957
Group	....	461,250
		26,931,136

Growth of Business

Year	Assets	Business in Force ($ 000)	New Ins. Paid for ($ 000)
1912	791,752	5,664	1,800
1917	1,353,321	7,005	1,001
1922	2,294,157	14,147	2,823
1927	3,589,045	25,752	4,729
1931	4,631,409	30,891	3,960
1932	4,832,500	28,422	3,500
1933		26,931	2,975

	1933 %	1932 %	1931 %
Interest Earned*	5.70	6.17	6.05

*On mean invested assets.

Business Insurance Attracts Attention

From all parts of Canada has come an extraordinary demand for reprints of the series of articles on Business Insurance by R. M. Haultain, which have been appearing in The Financial Post in recent weeks.

The demand has come from lawyers, business men, trust companies and life insurance officials and agents, with the result that reprint orders now total over 12,000 weekly.

Article 11 of this very important series is published in this issue of The Post and shows how a simple idea can be applied as easily to the million dollar business as to the corner grocery.

You will find it profitable and enjoyable.

Dominion Life

Investment Reserves Increased — Depreciation Written Off During '33

Dominion Life Assurance Co., with head office at Waterloo, ranks twelfth among Canadian companies in amount of business in force with a total at the end of 1933 of $145,117,527. This total shows a slight decline of $2,500,000 from the end of the previous year.

New business issued during 1933 was maintained within $500,000 of the 1932 figure at $21,000,000. Premium income showed little change from 1932, while income received from interest and rents was higher at $1,671,000.

Founded in 1889, the company operates under a federal charter and carries on business in all parts of Canada, in Jamaica, Newfoundland, and State of Michigan, U.S.A.

All but $1,500,000 of business in force is ordinary insurance, this balance being group business. Of business issued under the ordinary plan about 85 per cent is participating.

Add to Reserves

Provision of $328,000 for depreciation of securities and a further addition to investment reserve of $125,000 was reported in the 1933 annual statement. Investment reserve now stands at $325,000 against $200,000 a year ago, while free surplus is $450,000—a decline of $143,000 from 1932.

Payments to policyholders and beneficiaries, were over $3,400,000 of which $655,000 was paid in dividends to policyholders.

Analysis of the company's total assets shows 38.6 per cent invested in first mortgages on city property; 8.45 per cent invested in first mortgages on farm property; 20.0 in bonds and debentures; 3.50 per cent in preferred and common stock; 3.6 per cent in real estate; 17.8 per cent in policy loans and 8.0 per cent in cash and other assets.

Officers—
F. S. Kumpf, pres. and man. dir.; E. F. Seagram, G. D. Forbes and G. A. Dobbie, vice-presidents; A. N. MacTavish, actuary; J. K. Pickett, sec.; Herb. Schaus, treas.

Directors—
Representing Shareholders: F. S. Kumpf, E. F. Seagram, T. Hilliard, W. L. Hilliard, M.D., C. W. Wells, D.D.S., Waterloo; G. D. Forbes, Hespeler; G. A. Dobbie, Galt; J. H. Gundy, Toronto.
Representing Policyholders: H. M. Snyder, Waterloo; A. J. Andrews, K.C., Winnipeg; C. G. Cockshutt, Brantford; W. H. Malkin, Vancouver.

Field of Operations—
Canada, Newfoundland, Jamaica, B.W.I.; State of Michigan, U.S.A.

Capital—Authorized	$1,000,000
Subscribed	400,000
Paid-up	200,000

Type of Business Written:	Issued (net) 1933 $	Business in Force Dec. 31, '33 $
Ordinary:		
(a) Par.	11,173,085	124,713,489
(b) Non-par.	6,910,045	13,700,230
Group	474,308	1,703,808

Growth of Business

Year	Assets $	Business in Force ($ 000)	New Ins. Issued Incr. & Rev. ($ 000)
1912	2,873,054	13,936	2,957
1917	4,650,063	22,272	4,974
1922	8,232,250	59,608	13,805
1927	18,890,284	107,364	23,967
1932	25,850,520	147,721	21,631
1933	26,357,454	145,118	16,571

	1933 %	1932 %	1931 %
Interest earned*	5.46	5.80	6.24

*On mean invested assets.

SASK. LIFE REPORTS HIGHER RESERVES

Cash Position Improved Despite Heavy Loan and Surrender Payments

Despite an increase in the amount of new insurance issued, business in force of the Saskatchewan Life Insurance Co., which operates only in the prairie provinces, had declined slightly over $1,000,000 at the end of 1933 as compared with the end of the previous year. Head office of the company is at Regina. Insurance in force at the end of 1933 amounted to $9,111,486 as compared with $10,117,652 at the end of the previous year.

Assets were slightly lower but amounts paid to policyholders and beneficiaries during the year increased sharply to $284,000 due largely to increased demand on the part of policyholders for cash surrender values. Further amounts were added to reserve during the year, the total of reserves and surplus standing at $518,000 at the end of the year as compared with $459,000 at the end of 1932. This is exclusive of paid up capital of $100,000.

Officers—
C. M. Willoughby, pres.; D. Low, M.D., vice-pres.; G. H. Barr, K.C., vice-pres.; M. B. Farr, man. dir.; W. F. Curell, sec.; H. P. Morrison, actuary.

Directors—
Representing Shareholders: D. Low, G. H. Barr, K.C., W. H. Duncan, J. A. Cross, K.C., M. B. Farr, A. E. Whitmore, C. M. Willoughby, all of Regina; J. W. Sifton, Moose Jaw.
Representing Policyholders: I. H. Bowman, H. G. Smith, Regina; W. St. Germain, Gravelbourg; G. C. Thomson, Swift Current.

Capital—	
Authorized	$1,000,000
Subscribed	1,000,000
Paid-up	100,000

Dividend Paid—5% per annum.

Type of Business Written:	Issued (net) 1933 $	Business in Force Dec. 31, '33 $
Ordinary:		
(a) Par.	1,290,738	8,314,609
(b) Non-par.	278,750	686,817
Group		110,000

Growth of Business

Year	Assets $	Business in Force ($ 000)	New Ins. Paid for ($ 000)
1917	204,423	2,316	1,007
1922	588,461	6,073	978
1927	1,444,929	10,313	1,425
1931	2,197,000	10,930	1,947
1932	2,200,318	10,118	1,036
1933	2,203,954	9,111	867

	1933 %	1932 %	1931 %
Interest earned*	6.30	5.15	6.61

*On mean invested assets.

Metropolitan Life

United States Company, With Over $1,000,000,000 in Force in Canada, Leading Ordinary and Industrial Writer — New Business Well Maintained in 1933

Metropolitan Life Insurance Co., with head office in New York, has more business in force in the Dominion than any other life insurance company, Canadian or foreign. The Canadian head office is maintained at Ottawa. At the end of 1933, business in force in Canada amounted to $1,008,213,378 of which $580,219,141 was ordinary business; $64,936,197 was group business and $363,058,040 was industrial business. All business of the company is participating.

In 1934, the company entered its 62nd year in business in the Dominion. During that period business in force has shown steady and consistent growth, topping the billion dollar mark in 1931 for the first time. Business in force at the end of 1933 showed a decline of only about 2 per cent from the previous year.

New business issued by the company in Canada in 1933 was lower by only four per cent from 1932, at $213,638,000. Both ordinary and industrial business were well maintained but new group business was sharply down even from the small figure of a year ago. This is in line with the experience of other companies in this field. Paid for business was lower by nearly 8 per cent at $129,000,000.

Payments at New High

Analysis of total business in force shows an actual gain in ordinary business in force at the end of the year, the sharpest decline having occurred in industrial business. Number of ordinary policies in force in Canada at the end of 1933 was higher at 397,000.

Total payments to policyholders in Canada in 1933 reached a new peak of $30,750,000 which is over $2,500,000 more than the previous high mark established in 1932. In the past five years, the total distributed to Canadian policyholders has been over $116,000,000 while approximately $214,000,000 has been paid to policyholders in Canada since incorporation.

Total investments in Canada at the end of 1933 amounted to $246,000,000, of which about $200,000,000 consists of bonds and debentures deposited with the Receiver-General for the protection of Canadian policyholders. Policy loans and liens outstanding at Dec. 31, 1933, amounted to $26,268,324.

Head Office—1 Madison Ave., New York City.
Head Office in Canada—180 Wellington St., Ottawa, Ont.

Type of Business Written:	*Issued (net) 1933 $	Business in Force Dec. 31, '33 $
Ord. (All par.)	98,225,118	580,219,141
Group (All par.)	1,611,974	64,936,197
Ind. (All par.)	49,042,575	363,058,040

* "Issued" does not include insurance revived or increased.

Growth of Business in Canada

Year	Assets $	Business in Force ($ 000)	New Ins. Paid for ($ 000)*
1912	13,812,294	105,481	36,859
1917	30,524,939	222,214	54,519
1922	75,493,131	480,562	112,574
1927	141,708,193	769,270	175,803
1931	231,037,000	1,036,136	†158,016
1932	234,815,254	1,030,991	†139,976
1933	246,233,408	1,008,213	†128,906,308

	1933 %	1932 %	1931 %
Interest earned*	4.70	5.08	5.26

*On mean invested assets.

Total assets, Dec. 31, 1933	$ 3,860,761,191
Total business in force, Dec. 31, 1933	18,802,984,818
Total new insurance issued, 1933*	3,174,994,475

*Insurance issued, revived and increased, including net increases on group policies.

†Paid for business exclusive of amount revived or increased.

Confederation Life

Third of Its Business is Outside Canada — Large Amount Written Off Book Values During 1933, Increases Liquidity

Confederation Life Association, incorporated in October, 1871, ranks seventh among Canadian life insurance companies in total business in force. In addition to operating throughout Canada, the company does business in Great Britain, Newfoundland, New York State, Mexico, various parts of the British West Indies, Central America and China.

Total business in force at December 31, 1933, amounted to $361,044,688, of which approximately $125,000,000 was outside Canada.

New business written by the company during the year totalled $38,858,000 or 10.6 per cent less than the same figure for 1932. Annuity income was slightly lower at $1,557,566 than in 1932 but is still substantially ahead of corresponding figures prior to that year. A slight increase in surplus after writing $1,911,934 off book values of invested assets, was reported for 1933. Earned surplus for the year was $3,375,453, $81,000 less than in 1932. The company reports that values at which it now carries its assets are $800,000 less than the authorized values allowed by the Federal insurance department.

A change in surplus position during the year is the disappearance of $1,000,000 which last year was termed "contingency investment reserve" and the appearance of an approximately similar amount in the item "free surplus."

Total new business issued by the company in 1933 was obtained as follows: 47 per cent in Canada; 36 per cent outside of Canada; about 10 per cent by way of reassurance and about 7½ per cent group insurance. Of total business in force 58 per cent is in Canada, 28 per cent outside Canada, 30 per cent is reassurance and 6 per cent group.

Total payments to policyholders and beneficiaries were almost $1,000,000 above the 1932 level, in spite of lower payments on account of death claims and policyholder dividends. The increase is almost entirely due to higher policy surrenders which increased $900,000 to $4,647,300. Total payments for the year were $13,376,636.

Analysis of the company's assets showed the following distribution; bonds and debentures 42.17 per cent; mortgages 14.83 per cent; real estate 4.08 per cent; policy loans 19.68 per cent; cash and sundry items 5.72 per cent.

Officers—
C. S. Macdonald, pres.; R. S. Waldie and Col. J. F. Michie, vice-pres.; V. R. Smith, gen. mgr. and actuary; C. D. Devlin, gen. supt. of agencies; C. R. Dent, sec.; J. H. Birkenshaw, assoc. actuary.

Directors—
Representing shareholders: C. S. Macdonald, John Firstbrook, J. E. Ganong, B. B. Cronyn, W. C. Laidlaw, C. P. Smith, J. S. McLean, all of Toronto; P. A. Thomson, Montreal.
Representing policyholders: R. S. Waldie, Col. J. F. Michie, A. C. Matthews, A. F. White, all of Toronto.

Field of Operations—
Canada, U. K. of Great Britain, Newfoundland, New York State, Mexico, Cuba, Curacao, Grenada, Jamaica, Santo Domingo, Trinidad, British Honduras, Guatemala, Honduras, Nicaragua, San Salvador and China.

Capital—Authorised	$1,000,000
Subscribed	1,000,000
Paid-up	200,000

Dividends Paid on Capital Stock—$4 per annum.

Type of Business Written:	Issued (net) 1933 $	Business in Force Dec. 31, '33 $
Ordinary	32,480,737	337,375,049
(a) Par.	12,413,948	271,232,465
(b) Non-par.	20,066,789	66,142,584
Group	2,798,533	23,669,639

Growth of Business

Year	Assets $	Business in Force ($ 000)	New Ins. Paid for ($ 000)
1912	17,265,975	63,764	12,248
1917	22,829,534	82,274	15,038
1922	33,535,923	154,818	26,688
1927	57,435,782	258,466	50,872
1931	88,490,249	381,085	45,674
1932	92,232,305	374,071	48,465
1933	94,205,166	361,045	35,279

	1933 %	1932 %	1931 %
Interest earned*	5.33	5.33	5.63

*On mean invested assets.

Percentage Analysis of Invested Assets

	1933 %	1932 %	1931 %	1930 %
Bonds:				
Government	22.0	15.6	16.94	16.70
Municipal	16.5	18.8	15.42	15.29
Other	16.3	18.3	19.64	19.83
Total bonds	54.8	52.7	52.00	51.82
Stocks:				
Preferred	1.4	1.5	1.79	1.99
Common	2.3	2.2	2.49	2.63
Mortgages:				
(a) Farm	2.0	16.4	17.72	18.64
(b) Urban	13.5			
Real estate	4.3	4.3	4.22	4.43
Policy loans	20.7	21.3	21.36	20.06
Other assets	.9	1.1	.52	.44
	100.0	100.0	100.00	100.00

Crown Life

Paid-for Business in 1933 Higher Than in Previous Year

Crown Life Insurance Co. has been operating in Canada since 1901 and more recently has extended its field of operation to two states of the United States, Porto Rico, Bermuda, Newfoundland, West Indies, Colombia, and Egypt. The head office of the company is in Toronto. The company ranks among the first twelve Canadian companies in business in force.

Gains in most departments are reported in the 1933 annual statement. The company is one of the few to show an increase in new business during 1933, the volume of issued insurance in that year being $25,691,000, or an increase of over 10 per cent. Paid for insurance in 1933 amounted to $22,324,000 as compared with $19,615,000 in 1932. Total business in force at the end of 1933 is higher than the previous year by $1,600,000 at $138,822,000.

Income for the year also showed an increase, the sharpest gain being in single premiums received which totalled $249,000 in 1933 as compared with $64,000 in the previous year. First year premium income is also higher as is the amount received from interest and rent.

Policy Loans Lower

Of total assets of $18,893,000—a gain of $1,000,000 over 1932—more than 30 per cent is invested in bonds, almost 43 per cent in first mortgages and 18.68 per cent in loans on policies. Policy loans show a decrease of the percentage in 1932 figure, being 20.07.

During 1933, the company paid out to policyholders and beneficiaries in the form of death payments, matured endowments, cash surrender values and dividends the sum of $2,993,887. Of this total, death claims amounted to $891,149, the mortality rate being 53 per cent of the tabular expectation.

After setting up policyholders' reserve of $17,081,587, the company showed surplus of $903,000 of which $543,575 is listed as unallotted. In 1932, this latter amount was $383,025.

Officers—
Sir R. L. Borden, pres.; C. W. Somers, vice-pres.; J. S. Stevens, sec.; H. R. Stephenson, gen. mgr.; F. W. Hill, actuary; R. T. Couch, treas.

Directors—
Representing Shareholders: C. W. Somers, H. R. Stephenson, H. D. Burns, Toronto; G. A. Morson, Havana; G. O. Somers, Pasadena, Calif.
Representing Policyholders: Sir R. L. Borden, Ottawa; F. E. Brown, W. R. Morson, G. E. Spragge and W. F. Watkins, Toronto; Grant Hall, Montreal; F. R. McD. Russell, Vancouver.

Field of Operation—
Canada, Michigan, Washington, Porto Rico, Bermuda, Newfoundland, Cuba, Dominican Republic, Haiti, Jamaica, Egypt.

Capital—	
Authorized	$1,000,000
Subscribed	552,500
Paid-up	229,697

Dividends Paid—6% per annum.

Growth of Business

Year	Assets $	Business in Force ($ 000)	New Ins. Paid for ($ 000)
1912	1,233,901	10,016	3,202
1917	2,248,596	15,374	3,646
1922	4,789,563	34,460	7,531
1927	10,383,194	87,877	22,547
1931	16,654,000	136,634	18,826
1932	17,892,631	137,181	19,615
1933	18,893,082	138,822	22,324

	1933 %	1932 %	1931 %
Interest earned*	5.81	5.96	6.19

*On mean invested assets.

Political Science Group To Hear Beatty Speak

Annual meeting of the Canadian Political Science Association has been called to meet in Montreal, May 21 to 23. E. W. Beatty, chairman and president of the Canadian Pacific Railway, has agreed to speak on the Canadian Transportation Problem.

Among subjects to be discussed in addresses or round tables are The New Economic Nationalism; Provincial Conferences and Subsidies; Growth of Rural Population; Agricultural Credit; The Canadian Dollar; and Economic Theory.

Already the following have agreed to speak: Stephen Leacock, H. A. Innis, J. E. Lattimer, W. C. Keirstead, J. A. Maxwell, J. P. Day, C. A. Elliott, O. A. Lemieux, and W. B. Hurd.

Ontario Equitable

Non-participating Business Alone Written — Increase in 1933

Ontario Equitable Life and Accident Insurance Co., with head office at Waterloo, is the foremost Canadian company writing strictly non-participating life insurance in Canada. It is licensed under an Ontario charter and writes business in all parts of Canada with the exception of the Maritime Provinces.

An increase of 10.5 per cent in new business issued and revived in 1932 was reported in 1933 annual report. The total was $3,926,000. Business in force at the end of the year, however, was lower by 6 per cent at $44,000,000. The company also reported a substantial increase in annuity business during the year, 78 contracts having been written guaranteeing annual payments of $67,000. The corresponding figure for 1932 was $12,000.

Policyholder Payments Up

Premium and total income declined with average interest earnings reported at 5.44 per cent compared with 5.74 per cent a year ago. Payments to policyholders increased due to higher death, disability and indemnity claims, but contrary to the experience of most companies the payments on account of cash surrenders were lower than a year ago. However, by reason of the fact that expenses were reduced to the lowest point in the company's history a considerable excess of income over disbursements was assured, the figure in 1932 being $454,555.

Analysis of the company's assets which amounted to $8,987,000 in 1933 shows 34.66 per cent invested in bonds, 1.6 per cent in stocks, 40.08 per cent in mortgages and 18.98 per cent in policy loans. Policy loans showed a slight increase over 1932 when the percentage was 18.20 per cent.

Further improvement in the company's position is evidenced by provision made for depreciation in assets of $162,000 without drawing on investment reserve which was increased to $175,000. Surplus over capital and all other liabilities combined is $70,472 compared with $61,564 at the end of 1932. Reserve for depreciation of bond and debenture holdings is $25,000 in excess of government requirements.

Officers—
Hon. C. A. Dunning, pres.; J. C. Breithaupt, Senator H. W. Laird and J. C. Haight, K.C., vice-presidents; M. J. Smith, gen. mgr. & sec.; E. M. McKinney, supt. of agencies; F. D. Reiyea, F.A.S., actuary; F. D. Rueffer, treas.; H. E. Power, asst. sec.; H. G. Mistele, asst. treas.; E. R. Batho, asst. actuary; J. R. Fischer, accountant; W. L. Hilliard, medical director; J. C. Haight, K.C., solicitor.

Directors—
Hon. C. A. Dunning, Ottawa; J. C. Breithaupt, Kitchener; J. C. Haight, K.C., Waterloo; Senator H. W. Laird, Regina; H. G. Bertram, Hon. F. C. Biggs, Dundas, Ont.; A. W. Briggs, K.C., H. Begg, Toronto; W. E. Long, Brantford; Hon. H. MacPherson, St. John's Nfld.; J. A. Martin, Kitchener; E. C. Mitchell, Charles S. Morton, Halifax; W. E. Payne, K.C., Red Deer, Alta.; E. K. Reiner, Wellesley, Ont.; J. M. Riddell, Stratford, Ont.; J. M. Walton, Aurora, Ont.

Field of Operations—
Canada, in each province except the Maritimes and in Newfoundland.

Capital—Authorized	$8,000,000
Subscribed	6,741,600
Paid-up	455,055

Classes of Business Written:	Paid for 1933 $	Total in Force Dec. 31, 1933 $
Ordinary business:		
Participating	......	2,485,297
Non-par	3,490,587	39,407,020
Group	47,000	2,130,500
	3,537,587	44,022,817

Growth of Business

Year	Assets $	Business in Force ($ 000)	New Ins. Paid for ($ 000)
1922	452,169	13,207	†9,442
1927	4,474,555	36,734	†8,714
1931	8,125,000	51,356	6,326
1932	8,238,516	46,700	2,872
1933	8,606,775	44,023	2,907

†Issued business.

	1933 %	1932 %	1931 %
Interest earned*	5.44	5.74	6.17

*On mean invested assets.

WESTERN EMPIRE REDUCES BANK LOAN

New Insurance Issued and Operating Surplus Slightly Down

Western Empire Life Assurance Co., with head office in Winnipeg, has been operating for 22 years and at the end of 1933 had business in force of $8,838,554. This figure shows a drop of $660,000 from the total at the end of the previous year. New insurance issued during the year amounted to $2,404,362.

Total assets at the end of 1933 amounted to $1,910,483 as compared with $2,023,409 at the end of 1932. Analysis of assets shows that nearly 50 per cent is invested in first mortgages on real estate. Holdings of bonds and debentures are small while policy loans account for $460,000 or approximately 25 per cent of the total.

Reserve for policyholders and annuities totalled $1,428,951 at the end of 1933. Feature of the liability side of the ledger is the decrease in the bank loan from $249,000 at the end of 1932 to $124,500. Surplus of assets over liabilities excluding capital is shown as $233,265 at the end of 1933, a decline of $15,000 from the end of the previous year. Deducting subscribed capital of $318,153 from this total gives free surplus of $15,000.

Type of Business Written:	Issued (net) 1933 $	Business in Force Dec. 31, '33 $
Ordinary:		
(a) Par.	2,067,752	7,394,775
(b) Non-par.	336,610	913,779

Growth of Business

Year	Assets $	Business in Force ($ 000)	New Ins. Paid for ($ 000)
1912	223,321	*1,009	1,009
1917	332,782	3,235	1,106
1922	864,477	6,377	979
1927	1,256,196	9,276	1,738
1931	2,051,000	10,935	†2,676
1932	2,023,409	9,472	1,832
1933	1,910,483	8,209	1,363

†Issued business.

Officers—
R. W. Craig, pres.; Brig. Gen. H. M. Dyer, vice-pres.; F. C. O'Brien, gen. mgr.; A. M. Campbell, medical director.

Directors—
R. W. Craig, Brig. Gen. H. M. Dyer, W. Hudson, A. M. Campbell, A. J. Fraser.

Capital—	
Authorized	$1,000,000
Subscribed	381,000
Paid-up	318,153

	1933 %	1932 %	1931 %
Interest earned*	6.48	...	...

*On mean invested assets.

Great-West Life

Gain in New Business Written in 1933 Shown by Canada's Third Largest Company — Majority of Business Written in Dominion

Although confining its operations to Canada and five states of the Union adjacent to the Canadian border, the Great-West Life Assurance Company, with head office at Winnipeg, ranks third among Canadian companies in amount of business in force. As at December 31, 1933, insurance in force amounted to $552,294,135 a decrease of 7 per cent from the total at the end of 1932. About $50,000,000 of the 1933 total is group business and the balance ordinary.

There was a gain of 16 per cent in new business issued during 1933 the total of $54,231,000 being $7,500,000 above the corresponding figure of 1932. A slight increase in policyholders' dividends will be made in 1934 according to an announcement made by the company at the time of the annual meeting.

Write Down Securities

Total assets of $134,762,000 are about $1,000,000 less than at the end of 1932. This is accounted for by the further writing down of doubtful items. Of the total, 36 per cent are in bonds and debentures; 23 per cent in city mortgages and 18 per cent in farm mortgages. Policy loans comprise 22 per cent.

At the annual meeting it was announced that the company intended to embark on a policy of investing in short term bonds instead of maintaining a large cash balance as has been done in the past two or three years. C. C. Ferguson, general manager of the company, stated that the need for a large amount of cash had not arisen and that this was the reason for the change in investment policy.

Interest earned on invested assets in 1933 was 5.41 per cent as compared with 5.36 per cent in the previous year.

Free Surplus Higher

Free surplus at the end of 1933 was shown at $2,235,000 as compared with $2,130,000 the previous year. This was accomplished after an additional write-down of values of $1,735,000 and an increase in reserve for unreported claims of $50,000.

George W. Allan, president of the company, stated at the annual meeting that in valuing assets the company omitted 25 per cent of all outstanding interest, had valued bonds and debentures of $44,733,000 as against par value aggregating $47,370,000; and had written down mortgages, real estate and real estate sold "to what we believe is a close approximation to their intrinsic worth."

Mr. Allan also reported that during the year the company had made an additional provision of over half a million for outstanding interest and written down investments by $1,735,000. He reported that the company during the past year estimated that the market value of all its bonds, debentures and stocks had increased by about $4,000,000 although investment in such securities increased by only $1,500,000.

Officers—
G. W. Allan, K.C., pres.; R. T. Riley and Sir D. H. McMillan, K.C.M.G., vice-pres.; C. C. Ferguson, gen. mgr.; E. A. Brock, sec.; F. D. MacCharles, asst. gen. mgr. and actuary; H. W. Manning, asst. gen. mgr.; A. J. D. Morgan, asst. gen. mgr.; C. E. Trimmer, treas.

Directors—
Representing Shareholders: G. W. Allan, K.C., R. T. Riley, Sir D. H. McMillan, S. L. Cook, W. H. McWilliams, Col. H. F. Osler, J. A. Richardson, Hon. T. A. Crerar, all of Winnipeg.
Representing Policyholders: F. E. Halls, N. J. Breen, M. F. Christie, W. P. Riley, all of Winnipeg.

Field of Operations—
Canada, North Dakota, Minnesota, Michigan, Illinois and Washington, U.S.A.

Capital—Authorized	$1,000,000
Subscribed	1,000,000
Paid-up	1,000,000

Dividends Paid—20% per annum.

Type of Business Written:	Issued (net) 1933 $	Business in Force Dec. 31, '33 $
Ordinary	36,176,436	532,790,120
(a) Par.	......	435,356,476
(b) Non-par.	......	97,433,644
Group	1,959,500	19,504,015

Growth of Business

Year	Assets	Business in Force ($ 000)	New Ins. Paid for ($ 000)
1912	12,251,982	83,979	*
1917	24,385,666	152,643	29,164
1922	49,198,255	318,607	46,467
1927	94,909,289	502,545	66,418
1931	135,571,241	616,536	50,750
1932	135,738,365	580,537	39,184
1933	134,762,166	552,294	43,262

* Not available.

	1933 %	1932 %	1931 %
Interest earned*	5.41	5.36	5.77

*On mean invested assets.

SEES ADVANTAGES IN MUNICIPALITIES REFUNDING BONDS

W. L. McKinnon Answers Objections — Says Default More Costly

Opposition to refunding of municipal debts without recourse to supervision, but subject to approval of the Ontario Municipal Board, is based on objections that melt away when analyzed, states W. L. McKinnon, Toronto bond dealer. Mr. McKinnon is advocating legislation in Ontario to allow refunding of municipal debts without the default and supervision system in use at present.

Large institutions prefer to hold defaulted bonds than to allow refunding because they believe the bonds will come back, Mr. McKinnon suggests, and because they plan to hold the securities to maturity. But smaller holders, he says, find maintenance of value of great importance, and default a serious matter. He believes both classes would benefit by refunding schemes.

Objections that refunding powers would be abused are answered by the power that would be given to the Ontario board to scrutinize refunding, Mr. McKinnon states. He denies allegations that need for refunding indicates improper management, on the ground that the depression, not mismanagement, is the cause of much of the present municipal difficulty. The objection that avoidance of supervision would give bondholders no control is answered, says Mr. McKinnon, by his proposal to authorize the municipal Board to investigate cases and appoint supervisors where refunding is unsound.

Greatest objection to refunding, Mr. McKinnon concludes, is the increased cost, compared with prompt payment. But this cost, he says, is less than that of allowing a default to impair credit.

Basis of Views

Mr. McKinnon bases his views on beliefs that supervision advertises bankruptcy and hurts municipal credit; that defaults could be avoided by refunding; that emergency conditions prevent balanced budgets and compel defaults; that supervision violates self-government; that supervisors have no more power than councils to produce revenue; that refunding is the ultimate means of settlement anyway. Therefore, he contends, why not allow municipalities to refund without the stigma resulting from supervision. He comments:

"It is universally recognized that current conditions are now and will be again abnormal. Under such conditions no human control can prevent municipal revenues from decreasing and expenditures cannot be decreased enough to prevent a deficit on current account. This deficit in the current budget comes regardless of how strong the capital position may be or how sure is the ability of the municipality to pay in full ultimately. A municipality caught in this position should have power, without the necessity of a special act of the legislature or the appointment of supervisors, to go to its bondholders and other creditors and with their consent, as well as the consent of the Ontario Municipal Board, to arrange for an extension of time for payment of bond principal and even interest in some cases."

Credit Important

Mr. McKinnon points out that maintenance of credit is of prime importance to both municipalities and bondholders. Investors, he says, recognize the abnormal difficulties in collecting taxes, and are often willing to co-operate to avoid default by extending time of payment. It is better to spread payments over a longer period than to default, says Mr. McKinnon. But refunding, he continues, cannot take the place of rigid economy and persistent efforts to collect taxes. He adds:

"Refunding without compromise should be used only where no other means of avoiding default is available short of bankruptcy or receivership, and then only if the basic capital position of the municipality is sound . . . Where refunding is required, the municipality should be willing to cooperate . . . with the Ontario Municipal Board, with the bondholders and with its bank . . . They should be willing to work under a monthly budget plan and report how they succeed in living up to their budget from month to month during the year . . . A monthly budget . . . is recommended strongly because not only is it a great aid to the council but also it will be useful to the Ontario Municipal Board, to the bank and to the bondholders when they seek to keep in touch with the financial position of any municipality whose credit position has become weakened."

Union Mutual Not Very Active Here

Union Mutual Life Insurance Co., whose head office is at Portland, Maine, commenced business in Canada in 1868. Ordinary insurance only is written and, with the exception of $1,000, this is all on a participating basis.

Gross business in force in Canada at the end of 1932, the latest available figures, was $6,940,000, as compared with $7,612,000 recorded at the close of 1931. New paid for insurance issued in Canada during 1932 amounted to $329,500, compared with $386,650 in 1931. The annual business of the company has been falling off for a number of years.

Total insurance in force in both United States and Canada amounted to $71,651,600 at the end of 1932 and business paid for during 1932 totalled $3,703,430.

Assets in Canada totalled $2,835,700 at December 31, 1932. Over $2,000,000 is lodged with the Receiver General in the form of bonds, debentures and stocks for the sole purpose of protection of Canadian policyholders.

Head Office—Portland, Maine.
Chief Agent in Canada—Henri E. Morin, Montreal.
Actuary—Fred A. Hamblin.
Classes of Business Written (In Canada): Ordinary business, participating and non-par.

Growth of Business (In Canada)

Year	Assets $	Business in Force $	New Ins. Paid for $
1912	1,842,067	7,812,000	703,500
1917	2,243,500	7,997,000	704,000
1922	2,487,500	8,800,000	627,500
1927	2,628,484	8,614,000	580,500
1931	2,767,508	7,612,000	386,650
1932	2,835,700	6,940,000	329,500
Total assets			$21,693,766
Total bus. in force, Dec. 31, 1932			71,651,600
Total new insur. paid for, 1932			3,703,430

New Books

"The Idea of National Interest"

By what principle or principles is diplomacy controlled?

When nations make treaties, when they take certain positions relative to other nations, when they go to war, what motives prompt them?

The answers to such questions are taken for granted by most people but apparently there are certain definite pivots of diplomacy. Taking American foreign policy as the subject for his analytical study Dr. Chas. A. Beard has written a monumental study of these pivots. He indicates how national honor has declined in importance as a fundamental factor in foreign policy and has given way to national interest. But what is national interest? This is the question which Dr. Beard attempts to answer.

The subject provides room for extensive study of many phases of American foreign policy. Such problems as territorial expansion, foreign trade, foreign investment, etc., etc., are thoroughly explored.

Dr. Beard calls his book "The Idea of National Interest." It runs to over 550 pages and is obviously a volume for the scholar and not for the average business man, close as the relationship is between foreign policy and the affairs of business.

An interesting feature is the study of American investments in Canada. Dr. Beard apparently has been able to find no evidence of any attempt by the United States to influence Canadian domestic policies because of the American stake in Canada.

Likewise of intense interest are his examinations of the question as to whether foreign investments or foreign trade are actually in the national interest.

It is understood that this volume is to be followed by a second in which the philosophy of national interest will be reconstructed. This volume is analytical and descriptive, it gives the relevant facts in the case.

"The Idea of National Interest" is published by the Macmillan Co. of Canada, Toronto, at $4.50.

New Money Invested Soars 31% in 1933

New money invested in Canada by life insurance companies during 1933 showed a gain of no less than 31 per cent, according to figures compiled by The Financial Post from individual companies. The returns cover some 28 domestic and foreign companies which hold practically all the business in force in the Dominion.

The total figure from these institutions (exclusive of policy loans) amounts to just over $80,000,000 and compares with a corresponding total of $61,756,000 a year ago. Of these 28 companies, increased new investments as compared with 1932, were made by 13 companies, the remainder showing slightly smaller outlays.

Bulk of the moneys was invested in prime Government securities and holdings of this type of investment have increased sharply during the past year.

Prudential of U.S.

Rapid Progress Made in Canada in Past 25 Years

Prudential Insurance Co. of America was granted a Canadian license to transact life business in 1908 and commenced writing in Canada the following year. Ordinary and industrial insurance were written for 20 years before group was added in 1929.

Business in force at Dec. 31, 1933, in the Dominion totalled $495,000,000, of which $221,355,000 was ordinary insurance, $12,606,000 group and $261,030,000 industrial. Ordinary business is all on a participating basis.

New business paid for in 1933 amounted to $69,633,000 as compared with $74,213,000 in the previous year. Of the total approximately half was industrial and half ordinary business. Business issued amounted to $83,602,000 in 1933, of which $38,377,000 was ordinary participating business, $926,894 group and $44,298,428 industrial.

Assets Higher

Total assets in Canada at the end of 1933 are not available but at that date the company had invested $171,000,000 of its assets in the Dominion. Bonds and debentures held on deposit at the end of 1933 with the receiver-general for the protection of Canadian policyholders totalled $75,000,000.

Over $14,388,000 was paid to Canadian policyholders in 1933 bringing the total so paid to $96,261,000.

Head Office—Newark, N.J.

Canadian Offices—
H. P. Douglas, mgr. (ordinary business) for Quebec and chief agent in Canada.
R. J. Williams, mgr. (ordinary business) for Ontario.
Richard Trainer, supervisor in Canada for company's industrial agencies which are operated in all parts of the Dominion.

Type of Business Written (in Canada):	*Issued (net) 1933 $	Business in Force Dec. 31, '33 $
Ordinary:		
(a) Par.	38,376,849	221,354,693
(b) Non-par.		
Group	926,894	12,606,160
Industrial (if any)	44,298,428	261,030,413
	83,602,171	494,991,266

* Including revivals.

Growth of Business in Canada

Year	Assets $	Business in Force ($ 000)	New Ins. Paid for ($ 000)
1912	......	39,225	19,047
1917	......	99,071	27,296
1922	......	218,191	44,532
1927	54,314,531	393,634	84,613
1932	48,529,243	506,687	74,213
1933	......	495,000	69,633

Entire Operations (U.S. & Canada)

Total Assets (Dec., 1933)	$ 2,885,007,067
Bus. in Force (Dec. 31, 1933)	$15,000,000,000
New. Bus. Paid For, 1933	$ 2,049,999,413

	1933 %	1932 %	1931 %
Interest earned*	4.97	4.91	5.13

*On mean invested assets.

Sovereign Life

Policy Loans Show Decrease in 1933 — Investments Written Down

Sovereign Life Assurance Co. with head office at Winnipeg is licensed under Dominion charter and operates in Ontario, Quebec, Manitoba, Saskatchewan, Alberta and British Columbia. The company was incorporated in 1902, the first head office being in Toronto. In 1912, the head office was removed from Toronto to Winnipeg, and the company expanded rapidly in the West. For some years, it has not been active in the Maritimes and was only licensed to operate in Quebec as from January 1, 1931.

Business in force at December 31, 1933, totalled $24,710,220, a decrease of $1,314,000 from the end of the previous year. Of the total at the end of 1933 approximately $20,000,000 is participating ordinary business and the balance non-participating ordinary business. New insurance written in 1933 including revivals amounted to $3,330,726 as compared with $4,087,086 written in 1932.

Investment Reserve Higher

Further writing down of mortgages and an increase in investment reserve was reported in the company's annual statement. New business written and revived declined 18 per cent, the poor conditions in the West causing a decrease which Eastern agencies were unable to overtake.

Total assets at the end of 1933 were lower, there being a decrease of $130,000 in policy loans outstanding while a further $25,000 was written off mortgages and real estate and $89,000 of interest was charged back and no credit taken for it. During the past three years, the company reports ledger assets have been written down by $418,885 and interest revenue written off or not charged to the extent of $178,200.

Bonds and debentures of $1,604,601 and mortgages of $2,334,916 make up the bulk of the total assets of $5,867,320, along with policy loans of $1,117,035.

Payments to policyholders and beneficiaries in 1933 amounted to almost $727,000 as compared with $739,000 in 1932. Since incorporation, the company has paid out over $5,700,000 to policyholders and beneficiaries.

Officers—
W. Sanford Evans, president; W. H. Carter and J. L. Bathgate, vice-presidents; M. D. Grant, F.I.A., managing director; Ernest Atkins, sec.; J. J. Douglas, treas.; J. Turnbull, F.A.S., actuary; H. M. Meiklejohn, supt. of agencies; Hon. E. W. Montgomery, M.D., medical dir.

Directors—
Representing Shareholders: W. H. Carter; W. F. Hull, K.C., J. L. Bathgate, John Martin, John W. Horn, M. D. Grant, all of Winnipeg.
Representing Policyholders: E. E. Sharpe, K.C., W. Sanford Evans, M.L.A., William Whyte, all of Winnipeg.

Field of Operations—
Ontario, Quebec, Manitoba, Saskatchewan, Alberta, British Columbia and New Brunswick.

Capital—Authorized	$1,000,000
Subscribed	840,600
Paid-up	209,995

Dividends Paid on Capital Stock—
$1.25 per annum.

Type of Business Written:	Issued (net) 1933 $	Business in Force Dec. 31, '33 $
Ordinary	3,340,726	*24,710,220
(a) Par.	2,449,912	20,053,863
(b) Non-par.	890,814	4,656,357

Growth of Business

Year	Assets $	Business in Force ($ 000)	New Ins. Paid for ($ 000)
1912	954,739	3,850	831
1917	1,578,841	7,627	1,780
1922	2,474,693	16,485	2,621
1927	4,235,835	23,571	2,985
1931	6,250,371	27,215	2,290
1932	5,978,885	26,025	2,916
1933	5,867,320	24,710	2,307

	1933 %	1932 %	1931 %
Interest earned*	4.52	5.18	6.08

*On mean invested assets.

Article on Japanese Bank Makes Customs Suspicious

Copy of Fortune is Held Up While Clerks Ponder Over Nature of Magazine Article

From Our Own Correspondent

OTTAWA.—The Dominion Government, like most other national ministries, maintains a censor of printed matter.

The Ottawa list of banned books and periodicals runs to some hundreds of volumes and a more modest assortment of magazines. Most of these books and magazines are not well known to the general public.

In order to enforce the censorship, Ottawa circulates the "banned" list to every customs port and impresses upon all officials the need to keep a sharp lookout on behalf of Canadian morals and institutions.

An Unlikely Censor

Occasionally, though not often, these local officials feel an irresistible urge to censor on their own and great inconvenience and annoyance to respectable and responsible citizens sometimes result. As a rule, these cases of misguided enthusiasm are quickly straightened out by the Chief Censor at Ottawa. This censor, by the way, is Sidney Roe, veteran Canadian newspaperman and for many years Parliamentary correspondent of the Montreal Gazette and other large dailies in Eastern Canada.

Mr. Roe is the most unlikely material from which a censor could be fashioned. Built somewhat on the Chestertonian plan, he is by nature tolerant and good humored; is always inclined to take the indulgent view of questionable reading material. The task, however, is not always as simple as it would seem. With customs officials casting suspicious eyes on the most inoffensive magazines, often for no better reason that they are strange to them, there are bound to be incidents as annoying to the general public as they are unnecessary.

Suspicious of "Fortune"

A few weeks ago a Toronto editor received from the United States a copy of "Fortune," a well known American business monthly. This monthly is sold only by subscription, is not offered on the news stands. The Toronto customs officials apparently had never heard of it and the gaudy front cover aroused their suspicions. They searched it from cover to cover, seeking cause for the exercise of their functions as deputy censors. Their antagonism finally centred upon a quite objective study of the great Mitsui banking interests of Japan. They told the importer that the magazine could not be allowed to come in. They said it would have to go to Ottawa. After some argument, the officials at last allowed it entrance, extracting a signed statement from the importer to the effect that it contained no material which was seditious, obscene, treasonable, or indecent. Had the Toronto officials decided against the magazine, it would have been forwarded to Ottawa for consideration of and decision by the Crief Censor. Mr. Roe, being well acquainted with the publication, would have admitted it at once.

Banned Volumes Destroyed

Under the Canadian tariff books or magazines which fall into the foregoing classes are banned. To enforce the law a great deal of reading must be done and close contact maintained with the decisions of censors in other countries, like Great Britain and the United States.

On the books that are banned, by far the larger part are obscene or indecent. Even so, a remarkable number of them find their way into Canada and obtain a wide circle of readers through the more daring lending libraries. To cope with the problem, the National Revenue Department not only endeavors to stimulate customs officials to unceasing vigilance but makes inspections of lending libraries from time to time, seizing all banned volumes. These volumes are destroyed.

Grain Travels Westward

Exports of grain from the elevator at New Westminster show an increase of 141 per cent when compared with that of a year ago; shipments to date totalling 1,409,506 bushels compared with 622,141 in the corresponding period last year.

INDUSTRIAL MTGE. EARNINGS LOWER

Liquid Ratio Remains High — Draw on Reserve Fund

Net profit of Industrial Mortgage & Trust Co., Sarnia, was reduced to $15,658 in 1933 from $50,461 shown in 1932 after deduction of taxes. In 1933 the company earned $1.23 per share and paid $2.50 per share in dividends. Estates, trusts and agency business increased, with assets in this department up $21,000 to $385,597. Public funds entrusted with the company in the form of deposits or in guaranteed investment receipts was lower; certificates outstanding being down to $1,790,193 from $1,800,297 and trust deposits down to $793,938 from $842,443.

Total of cash, and investments in Dominion, provincial and municipal bonds equal the company's deposit liabilities. There is, however, a liability in guaranteed trust account for $132,102 owing to capital account. Mortgage investments in guaranteed trust account are up to $1,891,529 from $1,778,869 while interest is up to $132,102 from $109,952. In capital account mortgages and agreements of sale are down to $666,454 from $865,484 and interest is down to $40,668 from $51,105. Real estate has increased to $152,391 from $91,055.

Reserve fund has been reduced by $70,000 to $430,000 while general investment reserve has been increased by $20,000 to $100,000. Profit and loss balance is up to $35,183 from $1,275 as a result of transfer of $50,000 from reserve fund.

Earnings Record

Year	Paid-up Capital $	Net Profits $	Div. Rate $	Rate Earned per sh. $
1928	635,000	77,003	4.50+1	6.05
1929	635,000	80,001	4.50+1	6.29
1930	635,000	69,901	4.50+1	5.50
1931	635,000	58,271	4.50	4.58
1932	635,000	50,461	4.00	3.97
1933	635,000	15,658	2.50	1.23

Year	Guar. Account $	Estates under Adminis. $	Total Reserves $
1928	2,729,791	88,269	558,000
1929	2,756,682	261,177	574,000
1930	2,809,189	356,540	580,000
1931	2,703,336	389,764	580,000
1932	2,675,129	364,200	500,000
1933	2,749,399	385,597	430,000

PLAN BROOM PLANT IN SOUTH ALBERTA

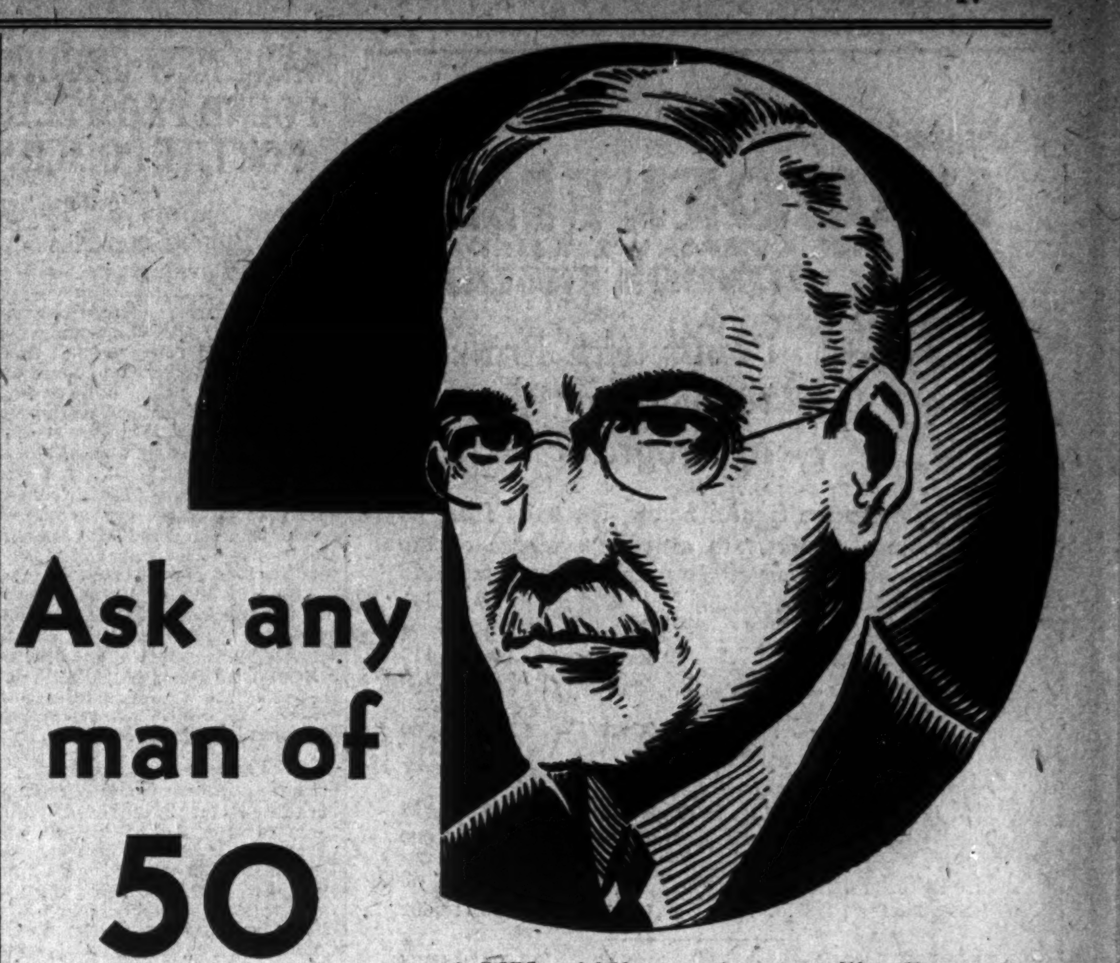
Taber District Farmers Will Plant 200 Acres Broom Corn

From Our Own Correspondent

LETHBRIDGE.—A new and important industry looms for Southern Alberta. This is the growing of broom corn and the manufacture of brooms. Thomas Maxim, vice-president and managing director of the Queen City Broom Works, Ltd., Regina, is authority for the statement that Southern Alberta produces the best broom corn in Canada and in the Taber district, east of Lethbridge, 200 acres will be seeded this spring.

By July the corn will have advanced far enough to indicate likely yield and at that time officials of the Regina company will take up the matter of a plant providing the outlook is favorable. It is planned to establish the plant and offices in Taber with employment given to 200 employees during the busy season.

Broom corn is grown both in Ontario and British Columbia to some extent. Some years ago the Regina concern sent seed to Medicine Hat for the planting of test plots but the results were not very encouraging. Just the opposite, however, resulted in tests carried on at Taber. The quality of the corn there has been exceptionally good in both fibre and length. The crop is a profitable one to the grower as the price ranges all the way from $150 to $200 a ton. The very best quality corn fetches as high as $250 a ton.



Ask any man of 50

ANY middle-aged man will tell you how swiftly the years pass after forty. All too soon middle years have gone the way of youthful ones—and with them middle age's opportunities. Old age approaches. Too late then to start plans for an income for declining years—those years when earning power is greatly reduced, or even gone.

A Manufacturers Life Endowment Policy providing a secure income at age 55 or 60 or later, is within the means of the young man of even moderate income.

Established 1887

THE MANUFACTURERS LIFE INSURANCE COMPANY
HEAD OFFICE TORONTO, CANADA

THE METROPOLITAN LIFE
IN CANADA SINCE 1872

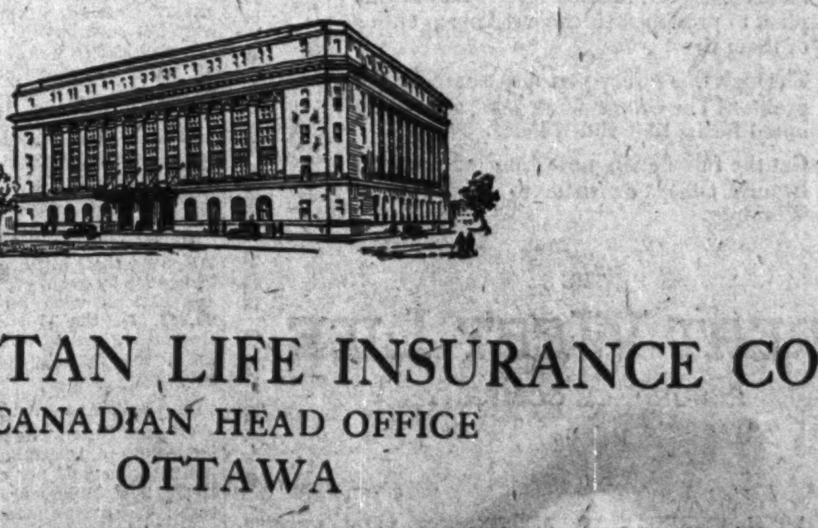
THE Metropolitan Life is closely bound up with the financial, social and economic life of the Dominion through its insurance contacts with more than one sixth of the entire population; through its health campaigns promoting healthier and happier lives; through its large investments in Canadian enterprise; and through its economic service to Canadian business in research, in management and industrial problems.

All premiums collected in Canada by the Metropolitan are invested in Canada or repaid in claims and other payments to Canadians. The total amount that the Metropolitan Life has paid to Canadians since it entered Canada, plus the amount now invested in Canada, exceeds the total premiums received from Canadians by over $116,000,000.

Metropolitan investments in Canada at the end of 1933 totalled $246,233,408. These are chiefly government bonds and first mortgages on real estate and are divided as follows — Bonds of the Dominion government $51,200,019; Bonds of provincial or municipal governments or guaranteed by them $111,459,190; and other investments of $83,574,199 which includes public utility bonds, first mortgages and loans to policyholders.

The business of the company in Canada reflects a high measure of public confidence as at the end of 1933 Metropolitan had 2,648,986 life insurance policies in force for over a billion dollars.

As the Metropolitan is a Mutual organization it has no stock and no stockholders. Its assets are held for the benefit of its policyholders and any divisible surplus is returned to them in the form of dividends.



METROPOLITAN LIFE INSURANCE CO.
CANADIAN HEAD OFFICE
OTTAWA

THE
PRUDENTIAL
ASSURANCE COMPANY LIMITED OF
LONDON ENGLAND

Points with Pride to Another Year of Progress

The comparative figures below, extracted from its 1933 annual report, are concrete evidence of the stability of the Largest Insurance Organization in the British Empire.

	1933	1932
Premium Income.	$ 172,366,846	$ 166,270,115
Total Income	244,264,156	236,934,339
Total Assets of All Branches Exceed. . . .	1,350,000,000	1,283,000,000
Payments to Policyholders in 1933	$ 124,828,796	$ 115,241,735
Total Claims Paid Exceed	2,102,000,000	1,960,000,000
Life Policyholders share of Surplus for 1933	$30,124,107	$30,110,602
New Life Sums Assured .	$ 417,386,684	$ 403,366,374
Total Life Sums Assured in Force	3,627,556,997	3,504,986,635

The figures above are converted on the basis of $4.86 2-3 to £.

Head Office for Canada:
720 DOMINION SQUARE BUILDING, MONTREAL
Offices for all classes of Insurance in Montreal, Toronto, Hamilton, Windsor, Quebec City.

812

LIFE · FIRE · CASUALTY

Mutual Relief
Life Insurance Company

HEAD OFFICE: KINGSTON, ONT., CANADA

A Purely Mutual Company, Organized 1874

Insurance in Force Over $19,000,000
Assets Over - - $ 5,000,000

Wabasso Cotton Co. Cover Sinking Fund

From Our Own Correspondent

MONTREAL.—Wabasso Cotton Co. has called $10,000 of its 6 per cent first mortgage bonds in order to comply with sinking fund requirements. The bonds called, which will cease to bear interest after June 1 next, may be made payable at London, provided the trustee is given at least two weeks' notice prior to the date of redemption.

At the end of the company's last fiscal year June 30, 1933, there were outstanding $751,000 of the 6 per cent bonds.

PROTECTION PLUS PROFIT • SAVINGS WITH SECURITY

AN OUTSTANDING "BUY"

FOR 1934

The past few years have shown how difficult it is to choose satisfactory investments.

But there is one investment you can count on to be worth its full face value always. It brings you more income for less money than any other plan of saving—and this income is positively guaranteed as long as you live. It is a GREAT-WEST LIFE Retirement Annuity.

This policy relieves you of all investment and reinvestment worries. You merely set aside a small amount, each year, which is used to provide you a fixed monthly income, to commence when you reach the age of 55, 60, or 65.

In the event of your death before commencement of annuity payments, your beneficiary will receive the cash value of the deposits made. Men can include their wives in this plan, to provide an income as long as either of them lives.

Through this policy you also share in the profits of The GREAT-WEST LIFE, a company noted for its liberal dividends.

Get the full details now from our nearest Branch Office, or write to Head Office, Winnipeg.

THE
GREAT-WEST LIFE
ASSURANCE COMPANY

SAVINGS WITH SECURITY • PROTECTION PLUS PROFIT

MANY NEW GROUPS FOUND PROSPECTS FOR LIFE POLICIES

Survey Shows Six Types of Buyers Increase Purchases

More farmers, country housewives, factory workers, automobile service station employees, oil field and refinery workers and those on the payroll of public utilities and various branches of the Government are buying life insurance today than was the case six months and a year ago.

These results are found in a new survey of insurance buyers in December and compared with similar studies made last July and in December, 1932. In all three surveys a group of 10,164 buyers of new life insurance was the major unit on which conclusions were based. The survey was made by the American Service Bureau, owned and controlled by the American Life Convention, to which many leading Canadian life companies belong.

Farmers Are Buying

That agriculture is slowly coming back into its own is indicated by the three surveys, for of each 10,164 purchasers of new life insurance in December 1,135 were farmers. In December, 1932, there were but 990 farmers in a similar group, while last July they numbered 1,039. Country housewives have also increased from 198 in December, 1932, to 232 in July and 251 the December just passed. On the other hand city housewives this December numbered but 786 compared with 896 in July and 964 in December, 1932.

Farmers and ranchers applied for an average of $1,831 of new insurance in December. Of the 1,135 only 365 stated they had other life insurance. Those with life insurance carried an average of $3,151 each. While city housewives were already carrying more insurance than their country sisters with $1,693 each as against $1,409, the rural bread and biscuit makers showed better in new purchases with a $1,269 average against $1,182. Among country women 86.9 per cent had no other insurance and the ratio of those without other life insurance protection among city housewives was 74.8 per cent.

Factory Buying Improves

In manufacturing industries there has been a marked increase in the number of buyers of life insurance since December, 1932, when there were but 287 factory workers among each 10,164 purchasers of new life insurance. In July the number advanced to 371 and the past December there was a further increase to 405. Of the 405 those who had no other insurance numbered 309. The average new application was for $1,172 while those having other insurance averaged $2,646 in force.

Among factory foremen, clerks and inspectors there was a very sharp gain compared with last July with 152 as against 128. In December, 1932, the number of buyers in these classes was 141. Their average new application the past December was for $1,908. The proportion of such workers with existing insurance was much larger than those who work under them, only 44 being without existing insurance. However, the average amount carried was only $1,282. Among factory executives and owners there were 91 buyers this December as against 92 in December, 1932, and 116 in July. Their average new application was for $8,692 and the 66 with other insurance already carried an average of $20,515.

Undertakers Good Prospects

One interesting result of the survey was that it is interesting to note that the undertakers and funeral directors are almost 100 per cent insured. No other class have a better opportunity of learning first hand the real lesson of life insurance in its relationship to the family. Of the 21 undertakers who bought life insurance in December, only one stated he had no other life insurance. The average new application was for $4,262 while the 20 already insured carried $5,150 each.

In the oil production and refining industry there were 200 buyers in December as against 160 in July and 141 in December, 1932. The average new application was for $2,728 while the 63 with other insurance had $4,937 each. Among automobile filling and service station employees there were 286 buyers in December. The comparative figures were 179 in July and 223 in December, 1932. The average new application was for $1,846 and the 105 with other protection had $2,333 each. Garage owners and managers and mechanics number 214 as against 217 in July and 194 the previous December. Their average new application was for $1,850 and the 102 with other life insurance had $2,269 each.

Teachers Good Field

Teachers are improving as a field for life insurance agents to cultivate, although the curtailment of their salaries and the financial difficulties of many school districts and educational institutions have greatly interfered with their plans for protecting the future through life insurance. In December there were 249 teacher buyers of life insurance compared with 227 in July. However, there was a marked decline as against December, 1932, when there were 571 such buyers. The average new application was for $1,940. The 71 with other insurance carried $4,754 each.

The building industry fell off as insurance buyers with 169 in December compared with 195 the previous December and 201 in July. Average new application was for $2,351.

Investment brokers and salesmen indicated their high regard for life insurance by submitting the largest applications with an average of $9,243. Of the 35 such buyers in December, 22 had other life insurance, the average being $52,430 each.

Bulk Are New Buyers

Of each 10,164 who purchased life insurance in December the survey indicates that 62 per cent were entirely new buyers or 6,306 of the total. The comparative percentages were 51 in December, 1932, and 66 in July. Of the grand total 8 per cent carried some previous insurance in the company to which the new application was being submitted. In July 10 per cent were so classified and in December, 1932, 7 per cent. In December 30 per cent of the buyers had some life insurance in other companies. The comparative percentages were 28 in July and 27 in July. The average application in December was for $2,148 as against $2,243 the previous December and $2,000 in July. The average carried by those insured was $5,285 compared with $4,579 last July and $5,351 in December, 1932.

Mutual Life of Canada

Business in Force Gained in 1933, Now Totals $518,500,000 — Government Bond Holdings Increase During Year

Mutual Life of Canada, with head office at Waterloo, Ontario, ranks fourth among Canadian life insurance companies in point of assets and business in force, the latter figure having passed the half billion mark in 1931.

Organized in 1869 under an Ontario charter, the company was originally incorporated as Ontario Mutual Life Assurance Co., the condition of organization being that at least 500 prospective policyholders pledged themselves to take out policies of $1,000 thus providing $500,000 of business in force at the outset. This goal was attained by February, 1870. Eight years later a Dominion charter was secured.

In 1900, the company's name was changed to the present title, and in March 1929, the company started a policy of conservative expansion outside Canada by obtaining a license in New York State which was followed by a similar license for Bermuda in 1930. As yet, the great majority of business in force is in Canada, only about $25,000,000 having been written outside of the Dominion.

Business in Force Gains

Business paid for in 1933 totalled $40,839,000 almost all of which was written on the participating ordinary plan. Group business paid for during the year was small, amounting to only $226,800. For 1933, total paid for business shows a decline of $5,000,000 from 1932.

Business in force, however, increased slightly to $518,521,000 as compared with slightly less than $518,000,000 up to the end of 1932. Of the 1933 total, $497,000,000 was participating ordinary business, $13,000,000 was non-participating ordinary business and $7,768,000 group insurance.

Analysis of the company's investments shows as at the end of 1933 approximately 32 per cent of the company's assets were invested in bonds and debentures, over two-thirds of which were represented by government, municipal and guaranteed issues, while first mortgages on improved real estate comprised approximately 31 per cent of the assets. Loans to policyholders accounted for 22.14 per cent of total assets, a slight decline from the 22.3 per cent recorded at the close of 1932.

No Capital Stock

Payments to policyholders and beneficiaries during 1933, including surrendered policies and dividends, amounted to $17,391,769, bringing the total so paid since organization up to $165,681,000. Death and disability claims paid in 1933 amounted to $3,407,000. Being a purely mutual company there is no capital stock.

Officers—
R. O. McCulloch, pres.; L. La Course Lang, 1st vice-pres.; Maj.-Gen. Hon. S. C. Mewburn, K.C., C.M.G., 2nd vice-pres.; W. H. Somerville, gen. mgr.; A. E. Pequegnat, asst. gen. mgr.; H. M. Cook, sec.; J. M. Laing, actuary; H. Holmes, assoc. actuary; H. L. Guy, treas.; W. Carlisle, supt. of agencies; J. M. Livingston, M.D., med. dir.

Directors—
R. O. McCulloch, Galt, Ont.; L. La Course Lang, L. J. Breithaupt, Kitchener; C. H. Houson, Chatham; W. G. Watson, Glyn Osler, K.C., T. A. Russell, E. G. Long, K.C., Toronto; Maj.-Gen. S. C. Mewburn, K.C., C.M.G., Hamilton; Hon. J. Fred Fraser, Halifax; Isaac Pitblado, K.C., Winnipeg; W. J. Blake Wilson, Vancouver; Hon. J. E. Perrault, K.C., Arthabaska, Que.; C. F. Sise, Montreal; W. H. Somerville, Waterloo.

Field of Operations—
Canada, Newfoundland, Bermuda, and New York State.

Capital—None.

Classes of Business Written:	Issued Net 1933 $	Total in Force Dec. 31, 1933 $
Ordinary business:		
Participating . . .	37,240,957	497,746,720
Non-par	2,140,435	13,006,770
Group	226,800	7,767,846

Growth of Business

Year	Assets $	Business in Force ($ 000)	New Ins. Paid for. ($ 000)
1912	20,071,345	77,921	10,712
1917	32,165,432	123,511	20,673
1922	53,605,630	246,487	31,062
1927	89,233,343	386,712	49,535
1931	125,848,000	513,380	53,193
1932	132,198,393	517,968	44,039
1933	138,913,984	518,521	40,839

Percentage Analysis of Invested Assets

	1933 %	1932 %	1931 %	1930 %
Bonds:				
Government	16.7	13.6	12.3	11.4
Mu. & school	14.7	15.6	13.8	14.9
Other	10.7	10.8	13.0	13.3
Total bonds . .	42.1	40.0	39.1	39.6
Stocks	1.1	1.1	1.1	.8
Mortgages . . .	30.7	33.5	36.5	37.9
Real estate . . .	2.9	2.3	2.0	1.8
Policy Loans .	22.2	22.3	20.7	19.8
Cash	1.0	.8	.6	.1
Ttl. ledg. as. .	100.0	100.0	100.0	100.0
Int. earned* .	5.22	5.67	5.73	6.13

*On mean invested assets.

Mutual Relief

Former Fraternal Company Shows Good Progress as Mutual

Mutual Relief Life Insurance Co. with head office in Kingston, Ontario, was founded in 1874 as the Oddfellows' Relief Association and did business under this name for 55 years. In June, 1929, however, a new Ontario charter was obtained and under the new name the company began business as purely mutual life insurance company operating on the same basis as the leading line companies in Canada. The company now operates throughout Canada.

Total business in force at the end of 1933 at $19,181,121 is about $900,000 less than the amount in force at the end of 1932. The business is written entirely on the participating ordinary plan.

Insurance issued during 1933 amounted to a net amount of $2,051,934. Paid for business totalled $1,435,702 as compared with $1,606,870 in 1932.

Assets at December 31, 1933, amounted to $5,297,682, an increase of $76,000 from the end of the previous year. Bonds and debentures make up the bulk, the total being $3,569,000. Mortgages and real estate total $609,520. A feature of the company's balance sheet, however, is the small amount of loans on policies, these totalling only $319,000 in 1933 or about six per cent of the total.

Officers—
Dr. J. C. Connell, pres.; D. A. Shaw, vice-pres.; W. T. Fortye, asst. gen. mgr. and sec.; H. H. Blakeman, actuary; W. P. Black, supt. of agencies.

Directors—
Dr. J. C. Connell, D. A. Shaw, C. C. Folger, W. Jackson, Hon. T. A. Kidd, J. M. Campbell, Dr. H. C. Connell, W. A. Mackintosh, Jas. Rigney, H. B. Muir, Dr. W. T. Connell, all of Kingston; W. McDonald, Montreal; Jos. Powley, Toronto.

Classes of Business Written—Ordinary business, participating.

Type of Business Written:	Issued (net) 1933 $	Business in Force Dec. 31, '33 $
Ordinary:		
(a) Par.	2,380,771	32,641,163
(b) Non-par. . . .	1,681,225	10,276,825
Group	157,250	2,114,900

Growth of Business

	Assets $	Business in Force $	Business Issued $
1930	5,079,363	21,043,453	3,283,000
1931	5,052,747	22,332,000	4,211,000
1932	5,221,220	20,095,655	*2,910,570
1933	4,906,971	19,181,121	*2,051,934

*Paid for $1,606,870 in 1932; $1,435,702 in 1933.
Int. Earned—1933, 5.10%.

Occidental Life Expanding in Canada

Occidental Life Insurance Co. of Los Angeles, California, operates in Canada under a Dominion license, having commenced business here in 1928. No figure for total assets in Canada as at the end of 1933, is available, but at that time the company had a deposit in the form of bonds, debentures and debenture stocks with the receiver-general for the protection of shareholders the sum of $698,000.

Total insurance in force in U. S. and Canada at December 31, 1932, was $8,162,196, all but about two million dollars being written on a participating basis. New insurance paid for in that year amounted to $639,446.

Company's chief agent in Canada is S. C. Tweed, Waterloo, Ont., and under his aegis the company during 1933 expanded considerably its Canadian operations.

PRUDENTIAL OF ENG. REPORTS PROGRESS

Paid-for Business in 1933 Ahead of Total for Previous Year

Established in London, Eng., approximately 85 years ago, and now the largest insurance organization in the British Empire, the Prudential Assurance Co. of London, Eng., completed its third full year of operation of life business in Canada in 1933. All business written in Canada is on the ordinary plan although the bulk of the company's English business is industrial. In three years of operation in Canada, the company has placed $8,224,242 of business on its books. Of this total, $6,487,000 is participating ordinary, $1,561,000 non-participating ordinary, and $177,000 group insurance.

New business written in 1933 amounted to approximately $4,000,000 while paid for insurance amounted to $3,648,827. This latter figure compares with $3,283,751 paid-for in 1932.

At the end of 1933, $1,460,587 in the form of bonds and debentures was deposited with the receiver-general for the protection of Canadian policyholders. The company states that Canadian securities held by the parent company total approximately $33,000,000.

Interest earned on the invested assets in 1933 amounted to 5.13 per cent.

Figures from the company's head office statement show substantial increases in every branch of the company's operations. Premium income of all branches increased from $166,270,115 to $172,366,846. Total income from $226,934,339 to $244,164,156 and total assets of all branches from $1,283,000,000 to $1,350,000,000.

In the life branch, the new life sum assured increasing from $403,366,374 to $417,386,684 and the total life sums assured made a gain in the year of over $120,000,000 and now stand at $3,627,556,997. The company is continuing the same scale of dividends to policyholders in 1934, the life policyholders share of surplus being $30,124,107 as against $30,110,602 for the previous year. Total payments to policyholders in 1933 were $124,828,796 as against $115,241,735 for the previous year.

Prudential of England transacts in addition practically every form of insurance. In Canada its activities embrace life, fire, automobile and casualty insurance.

Head office for Canada is in Montreal and life branches have been established in the leading cities of Ontario and Quebec. Fire, automobile and casualty branches have representatives located throughout the Dominion.

Life Branch Figures (Canada)

Type of Business Written (in Canada):	Issued (net) 1933 $	Business in Force Dec. 31, '33 $
Ordinary	3,820,089	8,047,242
(a) Par.	3,054,184	6,486,603
(b) Non-par. . . .	765,905	1,560,639
Group	182,000	177,000

DOMINION GENERAL BUSINESS EXPANDS

Paid-for Total in 1933 Slightly Down But Amount in Force Higher

Dominion of Canada General Insurance Co., whose life department was incorporated in the latter part of 1924, had $8,085,962 business in force at Dec. 31, 1933, of which $7,834,662 was ordinary non-participating insurance and the balance group insurance.

New insurance issued in 1933, on a paid for basis, amounted to $1,336,870, a slight decrease from the $1,482,839 recorded in 1932. Business in force has shown steady growth since 1924.

Assets applicable to the life department only, amounted to $813,704 at Dec. 31, 1933, an increase of nearly $87,000 from the total recorded at the close of the previous year.

Officers—
Col. A. E. Gooderham, pres.; Major A. E. Gooderham and D. G. Ross, vice-pres.; H. W. Falconer, man. dir.; J. C. Dodds, treas.; J. C. Stuart, gen. supt.

Directors—
Col. A. E. Gooderham, Major A. E. Gooderham, Col. G. G. Blackstock, G. H. Gooderham, D. G. Ross, E. D. Gooderham, H. W. Falconer, J. P. Nicholls, all of Toronto.

Growth of Business

Year	Assets $	Business in Force ($ 000)	New Ins. Paid for ($ 000)
1927	220,000	4,090	1,549
1928	324,000	5,777	1,945
1929	425,000	6,584	1,588
1930	541,000	7,463	1,477
1931	641,000	7,824	1,407
1932	727,000	7,857	1,483
1933	813,704	8,036	1,337

London Life Issues Most Industrial Ins.

Total industrial business in force in Canada at the end of 1933 was $792,000,000 according to figures supplied to The Financial Post by the four major companies writing this business in Canada. Total new paid for business according to preliminary figures released by the federal government at Ottawa, was $134,263,000. This is 12 per cent less than the corresponding total for 1932. Business in force is lower by $33,000,000.

A feature of the returns made to The Financial Post is that they reveal London Life as having for the first time led the way in respect of new industrial business issued during the year. For many years this honor has gone to Metropolitan Life but the new figures indicate that London Life this year led the way by a small margin in respect of issued business.

Comparative figures as submitted to The Post, follow. It will be noted that the volume of business shown for Prudential of America is not strictly comparable to the figures for the other three companies in that it includes revived as well as new issued business.

Industrial Insurance Record in Canada, 1933

	Net Business Issued in 1933 $	Business in Force Dec. 31, '33 $
London	49,157,674	151,158,163
Metropolitan* . . .	49,642,575	363,058,040
Mut. & Citiz.* . . .	4,668,557	16,032,368
Prud. of Amer.* . .	†44,298,428	261,030,413
	$147,767,234	791,278,984

*In Canada only. †Includes revivals. ‡Paid for business totalled $134,263,000 for all companies.

Empire Life

Operating Profit in 1933 Stated Best in Company's History

Empire Life Insurance Co., with head office in Toronto, was organized in 1922 and started to write insurance in 1923. In 1929, it took over the Commonwealth Life and Accident Insurance Company of Hamilton, Ontario. The company experienced two difficult years in 1931 and 1932 due to investments made in common stocks following the market crash of September, 1929. Losses on investments necessitated a call on shareholders. Satisfactory response was obtained to this call and the company's investment position has steadily improved.

An increase of 7 per cent in new business written in 1933; 17½ per cent decline in expenses and a substantial gain in assets are shown in the 1933 annual statement. It was stated that the company showed the best operating profit in its history.

New business issued including revivals amounted to $2,728,644 in 1933 an increase of slightly less than $200,000 from the previous year. Business in force was down by $900,000 at $16,114,600. Reduction in expenses enabled the company to overcome higher disbursements on account of surrendered policies and matured endowments and show a good excess of receipts over expenditures at the end of the year.

Income Higher

Total income was slightly higher than in 1932 when allowance is made for the inclusion of $262,000 received in 1932 on account of the call on capital shares.

Total assets of $2,525,731 are almost $200,000 higher than in 1932 and are highest in the company's history. Most of the increase has taken place in holdings of bonds and debentures and mortgages. In 1933, for the first time, bond holdings constituted the company's major asset item, the bulk of the company's investments having previously been in stocks. Capital impairment was reduced to $122,900. Surplus available for protection of policyholders including paid up capital now totals just over $500,000—a gain of $15,000.

Officers—
C. P. Fell, pres.; B. R. McKenzie, vice-pres.; A. H. Keith Russell, vice-pres.; L. T. Boyd, gen. man. and actuary; J. Ross Paterson, sec.-treas.; H. C. Parsons, medical referee.

Directors—
C. P. Fell, B. R. McKenzie, A. H. Keith Russell, John Hallam, A. H. Vanderburgh, J. M. Vaughan, A. J. Walker and Geo. M. Orr.

Capital—

Authorized	$5,000,000
Subscribed	2,607,500
Paid-up	623,360

Growth of Business

	Assets $	Business in Force $	Issued & Revived $
1927	442,054	6,282,179	2,477,293
1932	2,353,794	17,044,918	2,546,902
1933	2,525,731	16,114,660	2,728,644

	1933 %	1932 %	1931 %
Interest earned*	..	5.06	5.73

*On mean invested assets.

ROYAL INSURANCE WRITING SINCE 1825

Canadian Branch Opened 1851 But Total Business in Force Small

Established in England in 1825, Royal Insurance Co. commenced writing life insurance in Canada in 1851. Life business has increased but slowly, however, and at the end of 1933, the company had only $23,659,273 of business on its books in Canada. Of this amount, $16,000,000 was written on a participating basis and the balance non-participating.

New business paid for in Canada during 1933 amounted to $1,498,623 as against $1,608,000 in 1932. Of the business written in 1933, $956,535 was on a non-participating basis and $552,151 on a participating basis.

During 1933, $786,914 was paid to Canadian policyholders and beneficiaries.

Total assets at the end of 1933 amounted to $7,103,312, a decrease of approximately $66,000 from the total at the end of 1932. Of the 1933 amount, $6,007,871 was invested in bonds, debentures and debenture stocks; $1,027,109 represented loans on policies and the balance was cash on hand.

Type of Business Written (in Canada):	Issued (net) 1933 $	Business in Force Dec. 31, '33 $
Ordinary	1,508,686	23,659,273
(a) Par.	552,151	16,035,842
(b) Non-par. . . .	956,535	7,623,431

	1933 %	1932 %	1931 %
Interest earned*	4.52	4.14	4.23

*On mean invested assets.

London Life Insurance Co.

Record of Annual Increase in Business in Force Compiled Over Past 40 Years Maintained Unbroken in 1933

London Life Insurance Co. with head office at London, Ontario, ranks among the first ten insurance companies in Canada. Business in force at the end of 1933 amounted to $476,811,727 of which $291,150,819 was ordinary business, $151,158,163 industrial business and $34,502,735 group insurance.

The company was originally organized in 1874 with an Ontario charter, this being extended to a federal charter some ten years later. The company transacts business in Canada only having recently withdrawn from Newfoundland, the only place outside of the Dominion in which it had done business.

In 1887 the company commenced writing industrial business as well as ordinary participating and non-participating insurance and in 1919 it was one of the pioneers in the group insurance field in Canada.

Industrial Business Down

New insurance issued in 1933 amounted to a net total of $92,578,531 as compared with $100,463,094 in the previous year. Of the 1933 total $41,312,907 was ordinary insurance and $49,157,674 industrial. The small balance of $2,107,950 was group insurance.

The increase in business in force to $476,811,000 maintained an unbroken record for each of the past forty years. Both ordinary and group business shared in this advance, the increases in these two branches more than offsetting the decline in industrial business.

Income for the year was $1,300,000 higher than in 1932 at $21,000,000 even while average net return on the company's invested assets was 5.66 per cent as against 6.33 per cent in 1932. Disbursements were higher due to a sharp increase in payments to living policyholders as the results of the demand for cash surrender values.

Assets Much Higher

Total assets were almost $7,000,000 above the 1932 figures at $84,516,000. Analysis of these shows that 52.7 per cent is in first mortgages; 26.4 per cent in bonds and debentures; policy loans 13.3 per cent. The remainder, 7.6 per cent, is in real estate, including head office premises, stocks and miscellaneous items. The company reports that all bonds and stocks that depreciated during the year were written down and that the investment reserve against mortgages was increased from $1,200,000 to $2,000,000. Gross overdue interest on the company's mortgages is reported as being only 1.06 per cent of the principal outstanding.

Policy reserves at the end of the year were $4,782,000 above Federal insurance department requirements. Total amount of surplus funds in excess of statutory requirements was stated as $11,366,000. Free surplus showed a gain of nearly $250,000 to $3,354,000.

Officers—
J. Edgar Jeffery, pres.; Edward E. Reid, vice-pres. & man. dir.; J. S. Lovell, sec.; J. D. Buchanan, actuary; Angus Graham, M.D., med. dir.; J. F. Maine, supt. ind. agen.; J. G. Stephenson, supt. ord. agen.

Directors—
Representing Shareholders: J. E. Smallman, G. E. Reid, A. C. Spencer, J. E. Jeffery, C. L. Jeffery, E. E. Reid, all of London, Ont.
Representing Policyholders: T. W. Baker, W. Gorman, A. McPherson, all of London, Ont.

Field of Operations—
Canada.

Capital—Authorized	$1,000,000
Subscribed	500,000
Paid-up	200,000

Dividends Paid on Capital Stock—
20% per annum.

Type of Business Written:	Issued (net) 1933 $	Business in Force Dec. 31, '33 $
Ordinary:		
(a) Par.	26,119,110	217,360,203
(b) Non-par. . .	15,193,797	73,790,616
Group	2,107,950	34,502,745
Industrial	49,157,674	151,158,163

Growth of Business

Year	Assets $	Business in Force ($ 000)	New Ins. Paid for ($ 000)
1912	4,059,376	23,265	7,385
1917	8,050,269	50,787	14,539
1922	19,234,188	129,682	33,228
1927	44,068,930	295,906	80,670
1931	72,221,417	461,207	95,199
1932	77,558,318	471,955	95,634
1933	84,516,221	476,812	92,091

Percentage Analysis of Invested Assets*

	% 1933	% 1932	% 1931	% 1930
Bonds:				
Government	15.4	7.8	7.2	7.1
Municipal . .	10.2	12.6	9.9	12.4
Other	1.9	2.5	3.0	2.9
Total bonds . .	27.5	22.4	20.1	22.4
Stocks:				
Common . . .	1.2	1.4	1.6	1.5
Mortgages . . .	54.4	61.1	65.6	64.9
Real estate . .	2.3	1.8	1.2	1.2
Policy loans . .	13.8	12.9	11.5	10.9
Other assets . .	.8	.4	..	..
	100.0	100.0	100.0	100.0
Int. earn. on mean invested assets	5.66	6.33	6.45	6.46

*Life Branch only: Accident and Sickness Branch assets not distributed.

Travelers

Hartford Company Well Known Across Dominion in All Lines

Travelers Insurance Co. of Hartford has been operating in Canada since 1865 and accordingly is one of the oldest U. S. insurance companies doing business in the Dominion. No detailed figures are yet available for 1933 business but 1932 figures show that the life branch had $127,549,000 in force in this country, more than 75 per cent of which is ordinary insurance and the balance is group. In 1932 the company paid for $9,038,966 of ordinary business and $617,500 of group. Practically all the business written in Canada is on a non-participating plan.

At the end of 1932 assets in Canada amounted to $22,936,241 of which $18,153,116 was held solely for the protection of Canadian policyholders. Of the latter figure, practically all was in the form of bonds and debentures approved by the federal superintendent of insurance. Of the total $810,309 was on deposit with the receiver-general at Ottawa, the remainder being held in Canada by trustees.

Many Lines

In addition to life insurance the company and its associates the Travelers' Indemnity Co. and the Travelers' Fire Insurance Co., write practically every form of insurance.

Assets of the life company totalled $680,936,000 at Jan. 1, 1934, and business in force was $4,149,000,000. Total payments to policyholders in Canada and the United States amounted to over $1,282,000,000. New business paid for by the entire company in 1933 was $453,460,580.

Head office of the company in Canada is at Montreal, and branch offices are maintained in the chief cities across Canada.

EQUITABLE OF U. S. NOT ACTIVE HERE

Company Withdrew from Dominion in 1920 But Has $20,000,000 in Force in Canada

No new business was written in Canada during 1933 by the Equitable Life Assurance Society of United States. At the end of the year, however, the company, which commenced business in Canada in 1868, had $20,025,912 of business in force in the Dominion. The company has not been active in Canada since 1920.

Of the total business in force $17,421,412 is ordinary life business and $2,604,500 is group insurance.

Assets on deposit as security for Canadian policyholders amounted to $7,000,898 at the end of 1933, or slightly more than one-third of the total insurance in force.

The company is one of the largest in the United States, having over $6,196,000,000 business in force at the end of 1933. New paid for business in the United States in 1933 amounted to $591,000,000.

Head Office—393 Seventh Ave., New York, N.Y.
Head Office in Canada—Toronto, Canada.
Chief Agent in Canada—M. J. F. Bowman, Toronto.

Growth of Business

Year	Assets $	Business in Force $	New Ins. Paid for $
1912	8,058,138	22,300,034	2,422,284
1917	7,671,938	28,056,000	3,368,000
1922	9,285,970	36,365,000	85,087
1927	10,187,342	28,857,000	62,000
1931	10,946,056	24,222,000	23,400
1932	10,438,410	22,008,000	13,700
1933	7,000,898	20,025,912	None

Entire Operations (U. S. & Canada)

Total assets	1,520,707,378
Total business in force, Dec. 31, 1933	6,196,495,744
Total new ins. paid for, 1933 . . .	591,369,612

Rapid Growth Noted

The growth of water power development in Canada from 1900 to the present time is indicated by the fact that total water power installation has grown from 173,323 at the end of 1900 to 7,332,070 h.p. at the end of 1933.

COMMERCIAL LIFE BUSINESS FALLS OFF

Paid-for Total in 1933 Only 60 Per Cent of 1932 Figure

With head office at Edmonton, Alta., Commercial Life Assurance Co. of Canada began business in October, 1913, as the Alberta-Saskatchewan Life Insurance Co. The present name was adopted in 1919. Total business in force at the end of 1933 was $9,680,403 of which amount $2,183,000 was group insurance. Total assets at December 31, 1933, amounted to $1,839,153. New business paid for during the year amounted to $860,172 as compared with $1,442,841 recorded in 1932.

Analysis of assets shows $618,000 invested in mortgages on real estate; $508,000 in bonds and debentures; $153,000 in stocks and $312,000 in loans to policyholders.

Payments to policyholders in 1933 amounted to $233,016 of which $196,016 went to living policyholders.

Officers—
R. H. Cautley, pres.; Dr. E. W. Allin and L. G. Calder, vice-pres.; J. W. Glenwright, man. dir.; E. B. H. Shaver, sec.; C. C. Sinclair, consulting actuary.

Directors—
R. H. Cautley, Dr. E. W. Allin, W. T. Henry, W. W. Prevey, H. W. B. Douglas, J. W. Glenwright, J. Gillespie, Edmonton; L. G. Calder, Montreal; W. F. Bredin, Grand Prairie; F. O. Hodgson, Vancouver; J. A. East, R. Shannon, Saskatoon.

Capital—

Authorized	$2,000,000
Subscribed	1,507,700
Paid-up	145,852

Classes of Business Written:	New Issued (net) 1933 $	Total in Force Dec. 31, 1933 $
Ordinary business:		
Participating	223,916	3,761,820
Non-par.	697,970	3,785,783
Group	. . . . . .	2,133,000
Total	921,886	9,680,403

Growth of Business

Year	Assets $	Business in Force ($ 000)	New Ins. Paid for ($ 000)
1917	78,056	256	106
1922	229,725	3,920	2,331
1927	806,490	9,044	4,018
1931	1,691,000	10,527	1,159
1932	1,802,927	10,110	1,443
1933	1,839,153	9,680	860

	1933 %	1932 %	1931 %
Interest earned*	6.23	6.62	6.65

*On mean invested assets.

WESTERN LIFE INS. MAINTAINS POSITION

Winnipeg Company Reports Good Position at Dec. 31, 1933

Western Life Assurance Co. of Winnipeg has been writing business in the western provinces since 1911, and has established an enviable reputation for stability. At the end of 1933, the business in force amounted to approximately $7,578,000 as compared with $8,277,734 at the end of 1932.

Heavy terminations accounted for this decline in business in force and the amount of new insurance written during 1933 at $1,493,000 was approximately $233,000 greater than in 1932.

Assets at $1,600,671 were somewhat lower than at the end of 1932. Analysis of assets shows that mortgages form the greatest part of the total with $747,000, almost all city properties. Bonds and debentures account for $296,000 and loans on policies of $407,000.

Both surplus and reserve are reported higher at the end of 1923 than the previous year, while a continued favorable mortality experience and a material reduction in expenses of management are other favorable factors reported. The demand for cash surrender values and maturity payments caused an increase under this head of $150,000, total payments to policyholders being $282,000. Accordingly, expenditures exceeded income by almost $100,000.

Reduced liabilities in respect of policy reserves considerably improved the financial position of the company and the 1933 statement shows an increase of $10,000 in the contingency reserve and a gain of over $52,000 in free surplus. Total funds available for policyholders and inclusive of capital stock now total almost $400,000.

North American Life

Increase in Surplus Earnings Reported in Third Year as Mutual Company — Assets Position Strengthened in Past Year

North American Life Assurance Co.'s third year as a mutual company resulted in a small increase in surplus earnings and substantial writing down of assets by way of strengthening the balance sheet. Business in force showed a drop of $4,400,000 to $188,634,019. The total is divided as follows: participating ordinary $154,369,751; non-participating ordinary $31,871,648; and group (non-participating) $2,392,620.

Although the North American Life was incorporated as a mutual company in 1879, the mutual part was taken from the name before any business was done and it was not until 1931 that the original intention of the founders was carried out. Conservative expansion has taken place during the present century and in addition to operating in Canada the company does business in Newfoundland, Bermuda, Bahamas, British West Indies, the Yukon and in the States of Michigan and Washington, U.S.A. Business in force outside of Canada amounts to approximately $12,000,000.

Total Income Higher

New business issued in 1933 totalled $24,245,000, a decline of 7 per cent from the 1932 total. Total income was higher than in 1932, however, due to an increase in policyholders' funds left on deposit. Premium income and income from interest, dividends and rent were slightly lower than in 1932.

Of total assets amounting to $46,728,000, 32.8 per cent are invested in government, government guaranteed and municipal bonds; 26.7 per cent in mortgages; 19.2 per cent in policy loans; 9.1 per cent in public utility and corporation bonds. Of the first mortgages held, 88 per cent are on urban property and 12 per cent on farm properties. Average interest earned during the year was 5.38 per cent as compared with 5.7 per cent in 1932.

Investment reserve at $300,000 is lower by $800,000 for the reason that this amount with net profit from sale of investments has been written off the value of securities. It is now stated that securities in the balance sheet are $780,000 less than those prescribed by the federal insurance department.

Total surplus funds are lower by $400,000 at $5,600,000. This includes allotted funds, no figure being given for free surplus.

Officers—
Thomas Bradshaw, pres.; C. W. I. Woodland, Frank A. Rolph, A. J. Mitchell, vice-pres.; D. E. Kilgour, gen. mgr.; E. J. Harvey, supt. of agencies; W. G. Gallow, sec.; A. E. Hall, actuary; J. A. McCamus and E. H. Hanley, supervisors of agencies; W. M. Anderson, supervisor of field service; T. M. Sargant, agy. aud.; H. Gowan Ardagh and J. T. Bryden, asst. treas.; J. F. Wells, registrar; W. J. Burgar and C. P. Milne, asst. secs.; George Ryrie, asst. act.; T. D. Archibald, M.D., med. dir.; J. G. Falconer, M.D., asst. med. dir.

Directors—
Thomas Bradshaw, C. W. I. Woodland, C. L. Burton, F. S. Corrigan, Hon. G. S. Henry, A. C. McMaster, K.C.; A. J. Mitchell, F. A. Rolph, D. E. Kilgour, W. B. Taylor, Toronto; G. H. A. Montgomery, K.C., Montreal; Hon. L. A. Taschereau, Quebec, P.Q.; Hector McInnes, K.C., Halifax; E. W. Kneeland, Winnipeg.

Field of Operations—
Canada, Newfoundland, Bermuda, Bahamas, British West Indies, the states of Michigan and Washington, U.S.A., and in the Yukon.

2. Type of Business Written

	Issued (net) 1933	Bus. in Force Dec. 31, 1933
Ordinary—		
(a) Partic.	$18,993,083	$154,369,751
(b) Non-partic.	4,933,375	31,871,648
Group	318,795	2,392,620

Growth of Business

Year	Assets $	Business in Force ($ 000)	New Ins. Paid for ($ 000)
1912	13,223,378	50,068	6,331
1917	17,672,971	65,214	11,754
1922	23,683,843	108,059	15,367
1927	35,607,668	165,684	25,213
1931	46,855,113	197,899	22,935
1932	47,298,633	193,053	18,282
1933	46,758,032	188,634	?

Percentage Analysis of Assets

	1933 %	1932 %	1931 %	1930 %
Bonds:				
Government	16.6	14.7	15.3	14.6
Municipal	16.2	15.5	13.9	12.5
Other	9.1	10.8	12.7	16.5
Total bonds	41.9	41.0	41.9	43.6
Stocks:				
Preferred	3.0	3.8	4.5	7.4
Bk., loan, trust Cons. Gas	5.2	5.3	5.8	5.6
Common	.1	.2	.5	.5
Total stocks	8.3	9.3	10.3	13.5
Mortgages	26.7	27.9	28.7	25.9
Real estate	3.4	2.9	1.3	1.2
Policy loans	19.1	18.6	17.2	15.4
Other assets	.6	.3	.6	.4
	100.0	100.0	100.0	100.0
Int. earned*	5.38	5.70	5.92	6.14

*On mean invested assets.

Prince Edward Island branch of the Life Underwriters Association of Canada has elected the following officers for 1934: President, Milton Stewart, Canada Life; vice-presidents, William M. Flynn, Imperial Life, and S. M. Hicks, Great-West Life; secretary-treasurer, George W. MacLeod, Dominion Life.

Montreal Life

Increase in Policy Dividends Reported for 1934

Montreal Life Insurance Co. was established in Canada in 1908 as the Travellers Life Assurance Co. of Canada. Nineteen years later the name was changed to the present one. Head office is in Montreal.

In 1929, control of the company was purchased by the Atlas Assurance Co. of London, but the Canadian company has continued under its own name.

Insurance in force at Dec. 31, 1933, amounted to $36,770,265, as compared with $39,628,000 at the end of the previous year. Of the 1933 total, $20,382,000 was participating ordinary business, $13,468,000 non-participating ordinary and $2,920,000 group insurance.

Paid-for Business $5,000,000

Paid-for business in 1933 amounted to $5,012,443, a considerable decline from the $8,760,000 paid-for in 1932. Issued business in 1933 amounted to $7,406,698, of which $5,907,103 was ordinary insurance and $1,499,595 was group. Of the ordinary business, $3,600,000 was participating. Excluding one large group case written in 1932, the decrease in volume is less than 10 per cent.

Net premium income was $1,020,118 as compared to $1,089,144, a decrease of 6.8 per cent. This reflects the lesser amount of insurance in force and the tendency toward the taking out of lower premium policies.

Net income from investments was $262,260, a decrease of 4.3 per cent. Payments to policyholders and beneficiaries increased 26.7 per cent to a total of $1,000,063. Death claims incurred were 53.5 per cent of the expected or tabular mortality as compared to 57.2 per cent in 1932, 46.4 per cent in 1931 and 58.9 per cent in 1930.

Since organization the company has paid to policyholders and beneficiaries a total of $4,854,947. Loans to policyholders are not included. The company has authorized a substantial increase in policy dividends payable in 1934.

Assets Lower

Net assets decreased during the year by $171,221. This was occasioned through the writing down of security values by the sum of $67,400.50 and the unusual number of policies surrendered for cash value. The reserves on outstanding contracts, as computed by the company's actuary, were $4,632,361, such reserves being in excess of statutory requirements. Surplus over all liabilities and capital stock stood at $107,734 on December 31, as compared to $107,573 a year earlier.

The distribution of ledger assets, as compared to the two preceding years is shown in the following table:

Analysis of Assets

	1931 %	1932 %	1933 %
Bonds and debentures	40.32	37.22	35.97
Stocks	.22	.21	.38
Mortgage loans	34.72	35.03	35.11
Loans on policies	18.40	20.28	19.19
Real estate	5.12	5.84	8.03
Cash	1.01	1.10	.91
Other	.21	.32	.41
	100.0	100.0	100.0

2. Type of Business Written—	Issued (net) 1933	Bus. in Force Dec. 31, 1933
Ordinary	$5,907,103	$33,849,931
(a) Partic.	3,596,422	20,381,896
(b) Non-partic.	2,310,681	13,468,085
Group	1,499,595	2,920,334
	$7,406,698	$36,770,265
3. New Business paid for, 1933		$5,012,443
4. Paid to policyholders and beneficiaries since incorpor.		$4,854,947

	1933 %	1932 %	1931 %
Interest earned*	5.54	5.85	5.98

*On mean invested assets.

GOOD SHOWING BY MARITIME LIFE

Company Active in British West Indies — Assets Increase

Maritime Life Assurance Co., with head office at Halifax, carries on an active life insurance business in the three Maritime Provinces, in Newfoundland and in Bermuda, Bahamas, Jamaica, and the Leeward Islands. At the end of 1933, business in force amounted to $12,217,321, a decrease of slightly less than $100,000 from the previous year. All the company's business is written on a non-participating plan.

New insurance issued and revived during 1933 amounted to $1,915,083 as compared with $2,146,114 in 1932. Although the 1933 total is somewhat smaller than that of the previous year it compares favorably with the average over the past ten years.

Assets at the end of 1933 were 12 per cent higher than in 1932 at $1,498,000 and the company reports that an even higher percentage of the total is now invested in the highest grade of government guaranteed and municipal bonds.

The company shows surplus available for the protection of policyholders (inclusive of capital stock) at $845,130 but a deduction of $94,547, is necessary to bring investments into line with values authorized by the federal insurance department. After making the deduction free surplus over all liabilities totalled $583,000 as compared with a debit item a year ago of $8,655.

Officers—
Hon. E. A. Reilly, K.C., chm. of board; J. G. MacDougall, M.D., pres.; H. R. Silver, vice-pres.; B. Lockwood, F.F.A., A.I.A., sec.-treas. and actuary.

Directors—
Hon. E. A. Reilly, K.C., Moncton; J. G. MacDougall, H. R. Silver, Hon. W. A. Black, M.P., R. B. Colwell, Hon. Senator W. H. Dennis, Hon. G. Murphy, M.D., all of Halifax; Hon. Senator J. McLean, Souris; Senator F. B. Black, Sackville; W. F. Fraser, New Glasgow; J. D. McKenna, Saint John; W. A. Livingstone, Annapolis, W. H. Miller, Campbellton; Dr. J. L. McIsaac, M.L.A., Antigonish; Red Hugh McLean, Bathurst, N.B., and J. H. Winfield.

Field of Operations—
Canada, Bermuda, Newfoundland, West Indies, Antigua, Bahamas, Jamaica, Montserrat, St. Kitts, Trinidad.

Capital—	
Authorized	$1,000,000
Subscribed	1,000,000
Paid-up	250,000

Growth of Business

Year	Assets $	Business in Force ($ 000)	New Ins. Paid for ($ 000)
1927	490,242	5,038	1,922
1931	1,169,000	12,362	2,143
1932	1,337,367	12,314	1,631
1933	1,497,834	12,217	?

	1933 %	1932 %	1931 %
Interest earned*	5.23	5.56	5.56

*On mean invested assets.

Index to Mining Stocks

The weighted index number of twenty-three mining stocks computed by the Dominion Bureau of Statistics on the base 1926=100, was 124.6 for the week ending March 8, as compared with 115.4 for the previous week.

Nineteen gold stocks rose from 111.6 to 120.5, and four base metals stocks from 133.5 to 144.2.

BETTER YEAR FOR JOINT STOCK FIRE COMPANIES

Ontario Loss Ratio Improves But Premium Income Also Slumps

A substantial improvement in loss ratio for fire joint stock insurance companies writing business in Ontario in 1933 is reported in preliminary figures submitted last week by R. Leighton Foster, provincial superintendent of insurance. According to these figures the loss ratio for joint companies in the province stands at 50.6 per cent as compared with 60.4 per cent a year ago and 55.6 per cent in 1931. While the figures are not complete, it is not expected that these figures in their final form will be very greatly altered.

A feature of the year's experience has been the very heavy decline in premium income. This is indicated by the fact that net premiums earned in the province declined 11 and 12 per cent during the year. As compared with 1931, the decline in premiums earned is almost 20 per cent.

Detailed Figures

The following table summarizes the experience of the last three years as far as joint stock companies are concerned while in the tabulation below, detailed figures for all companies operating in the province are shown together with comparative loss ratio for 1932.

Joint Stock Experience of Fire Insurance in Ontario

	Net premiums earned $	Net losses incurred $	Ratio %
1931	17,107,870	9,512,759	55.60
1932	15,846,423	9,565,944	60.37
1933*	13,941,387	7,054,214	50.60

*Preliminary figures covering all but $140,000 of premiums in the province.

FIRE INSURANCE EXPERIENCE IN ONTARIO, 1933

Joint Stock	Net Premiums Written 1933 $	Loss Ratio† 1933 %	Loss Ratio† 1932 %
Acadia Fire	56,409	60.71	63.76
Aetna	152,074	101.13	56.53
Agricultural	21,338	17.50	142.23
Alliance Ass'ce	118,798	48.73	51.58
Alliance Ins'ce	40,596	62.40	78.28
American Alliance	8,676	30.27	59.15
American Central	23,972	52.80	65.98
American Equitable	52,343	47.46	28.07
American Home Fire	21,719	75.42	66.73
American Ins'ce	25,165	31.05	77.75
Anglo-Scottish	57,102	50.40	75.58
Atlas Ass'ce	165.093	38.71	47.96
Automobile Ins'ce	1,044	1.67	9.40
Baloise Fire	41,073	57.56	79.71
Beaver Fire	3,549	26.21	22.24
Bee Fire	54,387	27.05	....
Boston Ins'ce	11,564	61.84	57.80
British America	165,037	52.63	47.99
British Canadian	17,945	34.89	69.97
British Colonial	24,547	100.98	47,24
British Crown	113,452	79.16	53.63
British Empire	28,384	37.13	44.19
British & European	14,883	51.62	9.16
British General	23,972	47.17	55.31
British Law	22,683	63.36	26.07
British Nor'western	66,144	67.27	39.02
British Oak	31,970	75.99	51.32
British Traders	72,250	61.22	23.95
Caledonian Amer.	12,176	50.15	52.06
Caledonian Ins'ce	118,573	65.49	61.03
California Ins'ce	14,383	61.69	112.01
Camden Fire	15,561	80.85	72.62
Canada Acc. & Fire	57,532	46.40	81.40
Canada Security	42,306	40.84	46.88
Canadian Fire	111,156	41.90	52.79
Canadian General	84,341	50.15	55.91
Canadian Indemnity	38,122	46.92	63.81
Canadian Surety	22,330	64.68	85.28
Car & General	22,061	29.46	41.49
Casualty Co. of Can.	28,605	64.90	37.24
Central Ins'ce	41,107	48.85	58.31
Central Union	4,738	42.11	66.90
China Fire	11,810	21.95	205.92
Citizens Ins. of N.J.	4,931	23.53	50.85
Century Ins'ce	42,680	87.53	98.64
Columbia Ins'ce	18,791	60.17	72.43
Commercial Union Ass'ce	242,117	52.82	60.36
Connecticut Fire	42,843	62.28	58.63
Consol. Fire & Cas.	54,838	47.30	171.22
Continental Ins'ce	93,887	43.25	55.81
Cornhill Ins'ce	53,187	55.93	75.92
County Fire of Phil.	2,169	53.12	51.98
Dom. of C. General	167,815	42.61	37.73
Dominion Fire	175,305	38.47	44.80
Eagle, Star & Brit. Dominions	132,725	43.27	48.47
Employers' Liability	219,891	37.52	45.43
Ensign Ins'ce	29,244	28.08	37.23
Equit. Fire & Mar.	8,569	62.60	58.62
Essex & Suffolk Equitable	22,338	37.46	44.80
Federal Fire	183,027	48.72	57.08
Fidelity-Phenix	104,808	49.01	45.80
Fire Ass'n of Phil.	20,051	25.61	42.65
Fire Ins'ce of Can.	206,789	51.61	55.86
Fireman's Fund	58,951	30.83	107.70
Firemen's Ins'ce of Newark	37.055	38.66	55.50
First American Fire	10,277	58.12	22.95
First Nat'l of Amer.	.....	....	182.92
Fonciere Fire of Paris, France	12,855	22.28	134.99
Gen. Acc. of Canada	50,260	42.74	45.76
General Acc., Fire and Life	144,575	41.63	33.90
Gen. Fire of Paris, France	34,135	49.95	102.26
Gen. Ins. of Amer.	22,487	116.24	80.50
Girard Fire & Mar.	14,839	28.07	124.22
Glens Falls	36,838	76.97	42.22
Globe Indem. of Can.	51,384	51.81	32.45
Granite State Fire	5,509	61.82	36.39
Great American	99,175	50.81	142.98
Guardian Ass'ce	228,510	41.32	58.49
Guardian Ins'ce	39,855	42.60	48.47
Guildhall	20,455	38.64	53.21
Hand in Hand	46,624	89.09	58.49
Hanover Fire	31,264	65.22	79.01
Hartford Fire	281,031	35.11	45.37
Home Fire & Mar.	30,449	51.52	108.13
Home Insurance	250,596	79.93	106.93
Hudson Bay	64,472	48.41	63.56
Imperial Assurance	37,581	60.20	75.75
Imperial G'r. & Acc.	17,948	15.04	27.42
Imperial Ins. Office	69,826	73.72	39.07
Ins. Co. of N. A.	160,043	32.04	63.98
Insur. Co. of Penn.	7,332	69.92	42.83
Law, Union & Rock	81,953	59.00	71.66
Legal and General	47,246	74.86	59.52
Lincoln Fire	6,089	59.81	203.24
Liverpool & London & Globe	374,997	53.02	61.48
Liverpool-Manitoba	82,215	49.38	29.70
Local Gov't. Guar.	5,705	46.00	29.07
London Assurance	128,706	42.98	49.47
London-Canada	90,980	61.98	55.13
London & County	11,471	31.28	1.39
London Guar. & Acc.	37,582	60.18	29.98
London & Lanc. Gr. & Acc. of Can.	9,330	36.17	51.78
London & Lanc.	420,156	54.88	54.70
London & Provincial Mar. & Gen.	13,298	24.50	102.42
London & Scottish	22,579	47.68	4.39
Lumbermen's Ins'ce	49,488	46.89	43.30
Maryland	8,786	182.47	20.18
Mercantile Fire	51,967	40.50	83.13
Merchants Fire of N. Y.	80,555	39.00	61.59
Merchants Fire	163,977	55.38	46.43
Merch. & Manufac.	60,911	83.52	126.84
Merchants Marine	48,490	44.68	31.17
Mercury Ins'ce	18,490	65.84	78.24
Michigan Fire & Marine	.....	....	....
Motor Union	25,463	37.73	87.61
Nat'l-Ben Franklin	85,853	33.34	46.53
Nat'l Fire of Hart.	62,341	88.27	64.97
National-Liverpool	41,107	63.70	36.79
National Provincial	26,277	44.92	42.90
Nat'l Union Fire	49,457	46.04	86.93
Nat'l Fire of Paris	111,071	54.71	65.24
Newark Fire	44,818	52.97	60.77
New Hampshire Fire	37,421	66.98	46.59
New Jersey	14,979	44.14	32.62
New York Fire	32,419	37.22	73.85
N. Y. Underwriters	12,711	16.68	46.95
Niagara Fire	62,870	42.10	70.92
North British & Mercantile	269,339	47.26	53.56
North Empire	37,582	60.17	57.90
North River	34,871	31.69	17.01
North West Fire	23,972	65.79	57.59
*Northern Ass'ce	165,600	54.84	79.34
Northwestern Nat'l.	82,291	30.21	54.39
Norwich Union	337,434	36.24	50.29
Occidental Fire	46,280	41.94	41.97
Ocean Acc. & Guar.	133,519	28.34	58.11
Pacific Coast Fire	57,979	57.30	99.98
Pacific Fire	114,518	34.03	48.98
Palatine Ins.	67,121	57.10	68.71
Patriotic Ass'ce	35,729	36.16	72.97
Pearl Ass'ce	109,486	23.54	63.66
Phenix Fire of Paris, France	31,618	58.53	116.58
Phil. Fire & Marine	7,938	4.66	117.27
Phoenix Ass'ce	228,626	80.38	71.62
Phoenix Ins'ce	70,996	62.38	58.63
Pilot Ins'ce	20,016	88.33	118.09
Pioneer	36,166	45.07	74.95
Planet Ass'ce	25,981	29.41	59.20
Providence Fire of Paris, France	12,716	45.45	6.07
Providence Washington	17,776	61.94	112.72
Provident Ass'ce	58,075	63.90	61.26
Provincial Ins'ce	63,800	56.82	90.37
Prudential Ass'ce	198,782	41.31	63.66
Quebec Fire	33,799	32.71	36.45
Queen City	77,207	59.07	39.56
Queen Ins'ce	184,889	49.45	55.50
Railway Passengers	15,270	31.37	16.84
Reliance Ins'ce	15,378	58.89	48.99
Rhode Island	8,193	14.59	112.38
Royal Exchange	172,438	41.99	42.66
Royal Ins'ce	595,188	43.00	70.37
Royal Scottish	48,895	62.53	84.61
St. Paul Fire & Mar.	56,072	53.73	88.15
Scottish Canadian	38,241	51.18	65.35
Scottish Metropol.	71,090	44.18	86.15
Scottish Union & Nat'l	98,470	53.26	62.74
Sea Ins'ce	45,126	74.45	31.48
Security Ins'ce of New Haven	22,122	54.09	71.07
Southern Ins'ce	39,826	26.62	2.24
State Ass'ce	15,305	34.70	69.46
Sun Ins'ce Office	239,705	50.32	53.72
Sussex Fire	8,966	63.03	164.95
Tokia Marine & Fire	15	....	....
Toronto General	84,916	44.23	62.57
Trans-Canada	28,113	83.57	102.87
Travelers Fire	42,892	44.61	83.12
Union Assce	95,887	45.75	48.20
Union Fire, Acc. & Gen.	33,295	64.11	76.73
Union Ins'ce of Canton	71,980	34.00	236.65
Union Marine & Gen.	37,440	41.80	53.06
United British	25,508	29.51	48.02
United Firemen's	18,791	60.17	99.14
United States Fire	117,026	37.66	39.20
Urbaine Fire	27,767	93.48	43.21
Wellington Fire	186,493	44.87	48.21
Westchester Fire	18,808	107.63	60.83
Western Ass'ce	263,720	39.61	41.99
World Fire & Mar.	33,222	12.36	46.65
World Marine & General	33,972	107.35	115.78
Yorkshire Ins'ce	101,413	48.04	44.12

*Reinsured by Home Ins. Co. of New York.
†Ratio of net losses incurred to net premiums earned.

DOMINION REVENUE $3,298,000 HIGHER DURING FEBRUARY

General Gains in Month—Excise Taxes Hold Up Year's Total

Well ahead of last year's figures, the Dominion's revenue was still gaining ground in February with the close of the fiscal year in sight. Increase in February was $3,298,000 in ordinary revenues, compared with the same 1933 month. For the 11 months to Feb. 28, ordinary and special revenues were $8,228,000 ahead of the comparable 1933 figure.

Ordinary and special expenditures were $6,051,000 lower for the first 11 months of the fiscal year than in 1933. Capital expenditures were $5,552,000 reduced from the 1932-33 total. The Dominion was over $13,000,000 closer to a balanced ordinary budget than a year ago. However, considerable ground must still be covered before the ordinary budget, including special expenditures, will be in balance.

DOMINION REVENUE AND EXPENDITURE

Month of February

	1934 $ 000's	1933 $ 000's	Change $ 000's
Revenue—			
Customs	5,161	4,700	+ 461
Excise duty	2,318	1,992	+ 326
Excise tax	8,049	5,458	+2,591
Income tax	1,705	1,328	+ 377
Post office	2,400	2,200	+ 200
Misc.	1,632	2,289	— 657
	21,265	17,967	+3,298
Spec. repts.	7	30	— 23
Total	21,272	17,997	+3,275
Expenditures—			
Ordinary	19,944	21,191	—1,247
Special	4,302	2,189	+2,113
	24,246	23,380	+ 865
Capital	453	770	— 317
	24,699	24,150	+ 549
11 Months to February 28			
Revenue—			
Ordinary	290,338	281,131	+ 9,207
Special	460	1,439	— 979
Total	290,798	282,570	+ 8,228
Expenditure—			
Ordinary	313,354	319,566	— 6,212
Special	32,670	32,509	+ 161
	346,024	352,075	— 6,051
Capital	9,683	15,235	— 5,552
	355,707	367,310	—11,603

35-Mill Tax Rate May Let Windsor Pay Some Interest

Although Windsor's city council opposed a 35-mill tax rate, and appealed against its imposition by the board of supervisors, the Ontario Municipal Board has ruled in favor of the supervisor's decision. The council had suggested a 33-mill rate, but this was only acceptable to supervisors if $100,000 additional reductions were made in expenditures.

Significance of the 35-mill rate to investors is that it may mean payment of some interest on Windsor bonds this year. Tax collections will determine the policy, it is understood. A scheme has been adopted to amortize tax arrears, and there is some anticipation that collections on current account may improve in 1934. Three per cent interest, or about one six-months coupon, is the most holders of Windsor bonds can hope for this year, The Financial Post learns. And even this is uncertain, depending entirely on tax collections. Windsor has been in default since 1932, and has paid no interest on its debt since then.

Aluminium Ltd. Extends Common Stock Warrants

From Our Own Correspondent

MONTREAL.—Aluminium Ltd. has extended the dates of expiry for C and D outstanding common stock subscription warrants. The final date on which C warrants may be exercised will be April 3, 1935, and D warrants, October 2, 1935.

Back in 1928, Aluminium, Ltd., offered four classes of common stock subscription warrants to shareholders, giving them the right to purchase one new share for each eight shares held at $30 per share. Under the original plan all warrants expired in 1932, but extensions have been given from time to time.

Insurance Inklings

A. C. ROBERTSON has been appointed superintendent for the Winnipeg district for the Prudential Insurance Co. of America.

JOHN R. HASTIE, Chicago, assistant manager of the Mutual Life of New York, will be the speaker at the regular monthly luncheon meeting of the Life Underwriters Association of Toronto on March 15.

"Life Insurance is the World's Best Security"

Life insurance is the best investment, because of these seven points:

1—You secure guaranteed protection for your family.
2—You enforce upon yourself a definite savings plan.
3—You buy a guarantee—not a promise.
4—Your Life Insurance is a preferred security for credit.
5—You cannot lose—there is no fluctuation.
6—You can borrow, if need be, without selling anything.
7—There are ten chances that you will carry out your Life Insurance program, to one that you will follow any other investment program.

The finest investment foundation, that it is possible for you to build upon, is life insurance. This but re-echoes the statements of many business leaders, men who have weathered years of storms and depression, who have seen great investment programs wrecked, stocks fluctuate, and hitherto supposedly gilt edge securities washed out—these men have seen life insurance standing clear—the protecting, never-changing investment bulwark.

* * *

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Crown Life Gains At Every Point in 1933

ASSETS
First Mortgages on Real Estate 41%
Government and Municipal Bonds. 23%
Public Utility and Industrial Bonds 5%
Preferred and Common Stocks . 2%
Loans on Company's Policies 18%
Home Office and Other Real Estate 3%
Cash and Other Assets 8%
100%
Interest Rate 5.81%

Insurance Issued Increased to $25,691,247.00
Insurance-in-Force Increased to $138,821,915.00
Cash Income Increased to $5,400,978.24
Policy Payments Increased to $2,993,887.20
Assets Increased to $18,893,081.76
Capital & Dividend Funds Increased to $1,133,107.45

CROWN LIFE INSURANCE COMPANY
Rt. Hon. Sir Robert L. Borden, *President*
H. R. Stephenson, *General Manager*

A MUTUAL COMPANY
Owned by its POLICYHOLDERS
North American Life is a purely mutual Company. It belongs to the policyholders and profits are paid solely to them. Throughout good years and bad the Company has maintained its enviable record of liberality. Last year dividends paid on policies aggregated $1,451,116—a new high record. Assure mutually.
NORTH AMERICAN LIFE
Solid as the Continent
Head Office
TORONTO, CANADA
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THE MONARCH LIFE ASSURANCE COMPANY
A PROGRESSIVE CANADIAN COMPANY
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Offices in Principal Canadian Cities

THE ONTARIO EQUITABLE has always taken pride in the range of policies offered the public.

A policy should not be just a policy. Like a suit of clothes, it should *fit*. A Life Insurance policy should be on a proper plan, with the right maturity; it should serve a definite purpose, and yet embody flexible provisions; the premiums should be within reach, *and the benefits should cover what the public wants.*

We have a plan which will do some specific service for you. And all our premiums are guaranteed against increase or fluctuation.

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LIFE AND ACCIDENT INSURANCE COMPANY
HEAD OFFICE WATERLOO ONTARIO

1874 1934

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Its sound system of insurance protection, its provision for the orphan children of deceased members, for members afflicted with tuberculosis or cancer, for the aged, and its system of Surgical Benefit, place it in the forefront of institutions existing to serve men and women.

In over three thousand Courts, throughout Canada, the United States and the British Isles, the I. O. F. during the years has distributed over One Hundred and Twenty Million Dollars in benefits.

A splendid record by a sound institution.

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Frank E. Hand, *Supreme Chief Ranger*
Home Office - - Toronto, Canada

N.R.A. CLINIC TALKS MUCH DOES LITTLE

General Johnson Spikes Critics' Guns in Opening Speech

TWELVE-POINT PLAN

Determination to Invoke Law on Code Breakers Seen — Lower Working Hours Demands Halted

By DR. GAINES T. CARTINHOUR
School of Commerce, Accounts and Finance, New York University

NEW YORK—The N.R.A. clinic in Washington, attended by 5,000 business men, heard specific proposals for correlating the various codes and eliminating known abuses. Foremost among the critics was General Johnson himself, who outlined a twelve-point programme for reorganizing the N.R.A. before those invited to complain could offer a single criticism.

The National Recovery Administrator's first suggestion is to organize a more uniform equitable rule of national price stabilization. Price fixing has come up time and time again in the history of economic progress but has never been really successful. It is a complicated problem and strikes at the very existence of the capitalistic system since the latter is largely based on the principle of an uncontrolled market.

Twelve-point Programme

Proposals to establish a more effective rule on costs for the purpose of prohibiting sales below costs of production, to provide for uniformity of wages and hourly rates in competitive industries, to improve methods for securing prompt and effective compliance with code stipulations, to eliminate inconsistent or conflicting provisions in codes, to provide for uniform classification of areas for the purpose of determining equitable differentials for the North and South, and to determine a method of financing code administration without abuse are satisfactory to all concerned.

Provisions for adequate labor and consumer representation on code authorities, and wider use of some mechanism for settling labor disputes in connection with code administration are both good if the turnover system is used and the efficiency of advisory members is not reduced by political pressure. Protection of small enterprises against monopolistic control and oppression has already been given much consideration. Another proposal calls for a wider use of a mechanism for settling labor disputes in connection with code administration. Code provisions covering this point must be clarified and procedures definitely outlined if labor disputes are to be settled equitably.

Plan Higher Wages

Another proposition is to increase wages still more and reduce working hours. General Johnson urged upon industry a 10 per cent decrease in work hours per week and a corresponding increase in hourly wages. Thus the forty hour week would go down to thirty-six hours at forty hours pay. However, he stated that any industry or company which finds reasons why it cannot comply will be given an opportunity to present these reasons and show why there should be a modification. President Roosevelt also made an eloquent appeal for "immediate co-operation to secure increases in wages and shortening of hours" the most important feature of an address delivered during the conference.

Under the Blue Eagle, the N.R. Administrator said 3,000,000 persons had been re-employed with an increased pay roll of $3,000,000,000, but it should be remembered that business has been improving during the past nine months, thereby helping industry absorb the increased costs. It seems to the writer that many problems already exist regarding differences and injustices to both laborers and employers in the hours and wages already provided for, and these should be settled in so far as possible before the atmosphere is beclouded with further wage and hour fog. The general consensus of opinion is that industry cannot stand further increases in its costs under present conditions without a corresponding rise in sales volume and—or selling prices, both of which are unlikely to follow higher wages and shorter hours in the manner proposed. For the past twenty years and more the trend of industry has been toward shortening the working time and lifting the wage, but this is something which each industry and each company must work out for itself gradually.

Ignore Research Agency

The Chief Administrator of the N.R.A. neglected to mention some important matters, for example, the planning and research agency provided for in the law. It could be used to advise industry regarding matters of consumption expectancies, market expansions, production capacities, and schedules. It is dormant at present, having the form of operation but lacking the necessary power. In regard to child labor, some believe that the provisions in the codes on the problem should be modified in order to allow meritorious cases to be given special consideration. It is also doubtful if consumer interest is adequately represented. Consumers have a "channel for complaint and criticism" but to date this does not seem to have been very satisfactory.

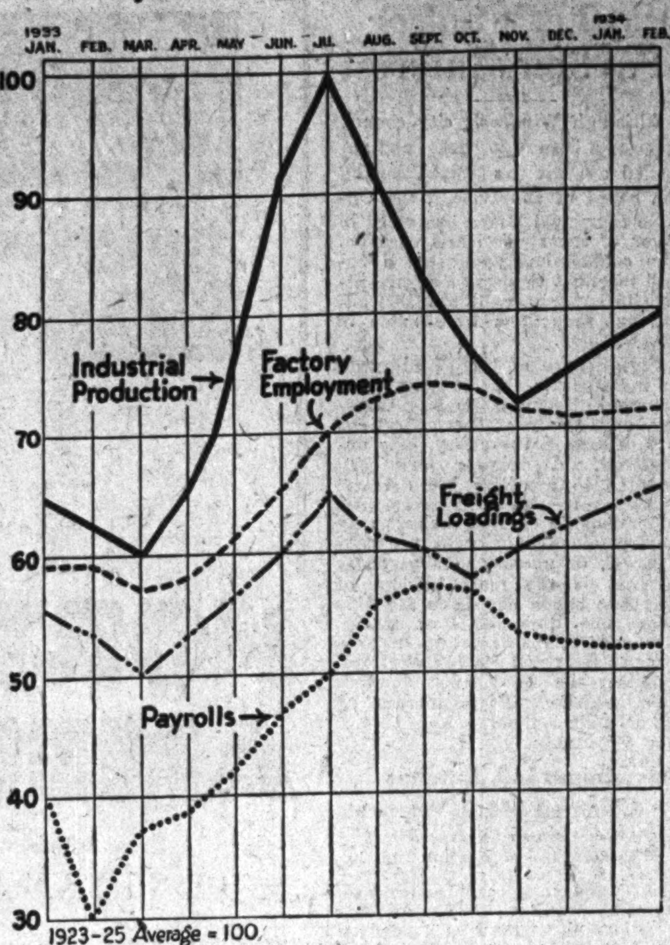
During the week's conference manufacturers and labor representatives disagreed, as would be expected. The former resisted further lowering of working week hours, while the latter protested against industrial espionage and demanded a substantial reduction of the work week, with proportionate increase in wages to absorb the unemployed. Representatives of the American Federation of Labor also charged wholesale violations of the labor provisions of the codes, especially in the automobile industry. From consumer representatives came the complaint that the consumers were unprotected. Small industries complained of lack of protection against monopolistic tendencies under the codes. From all quarters came an attack on "chiselers." Since General Johnson stated his modification plan before critics were given an opportunity to speak, it is believed in many quarters that his own programme will be the basis of N.R.A. policy in the immediate future regardless of what others pointed out during the "protest week."

One of the sharpest attacks that has been made on the N.R.A. was by the Consumers Advisory Board when, after studying eleven important industries carefully, the conclusion was announced that the codes had not increased purchasing power. Prices, it was pointed out, had been advanced more than wages.

In so far as it may be possible to note the results of the week's conference, three deductions seem warranted. In the first place, it is believed that the strong resistance to the reduction of hours plan has forced it to be abandoned, but only temporarily. Second, there is a determination to invoke the full weight of the law to compel compliance with code provisions. Third, there is a general recognition by the government that it will have to provide Federal assistance by extending credit facilities to participating industries.

Canada has no N.R.A., but it seems that President Roosevelt's investigations are influencing Canadians. Most recent, of course, is the Stevens Investigation. Your government has wisely shunned an N.R.A. programme. It is significant that the improvement in Canadian business has been consistent. During the past two months the gain has been particularly impressive.

Recovery Reaction Sets New Depression Level



July, 1933, marked the high point in the index of industrial production, following the "New Deal" in the United States. While some other indices of business activity continued upward after this date, reaction came later in every case as earnings failed to keep pace with increased prices.

United States Government Indices
(1926=100)

Month	Industrial production	Factory employment	Payrolls	Freight loadings	Dept. store sales
1933					
January	65	59.4	39.2	56	60
February	63	59.4	30	54	60
March	60	56.6	36.9	50	57
April	66	57.7	38.6	53	67
May	78	60.6	42	56	67
June	92	64.8	46.2	60	68
July	100	70.1	49.9	65	70
August	91	73.3	55.7	61	77
September	84	74.3	57.6	60	70
October	77	73.9	57.4	58	70
November	73	72.4	53.6	60	65
December	75	71.8	53.1	62	69
1934					
January	78	71.8	52.9	64	68
February (unrevised)	80	72	53	65	69

Bootlegging Grows Apace Has U.S. Distillers Worried

Increasing attention is being given by the United States press to a condition pointed out by The Financial Post more than a month ago, that is, to the widespread revival of bootlegging which is cutting sharply into the sales of liquor distillers who are legally authorized to distil and who are paying their taxes. Well-known labels and bottles are being counterfeited and hawked about on a wide scale and imported goods are reported to have been both smuggled in and to have been counterfeited. This is the real reason behind the action of President Roosevelt in lifting all restrictions on imports for a set period of 30 to 60 days and authorizing an additional 44,000,000 gallons domestic production.

In spite of the bootlegging, legitimate dealers are finding an increase in February over January earnings. They are not satisfied, however, to see so much going to the bootleggers. So far no aggressive campaign has been made against the bootlegger under federal auspices. It is believed that the federal authorities think that the first great measure against the bootlegger is to have sufficient supplies ready for consumers and also to have strict government supervision over the distilling and sale of liquor by the established distillers and dealers first. They want to ensure the payment of proper taxes, and then it is hoped by the distillers that the federal authorities will move vigorously to protect those taxes by arrests of bootleggers, counterfeiters, etc. In default of government action some of the large distillers are hiring experienced detectives themselves and getting wide information on the situation. One thing that makes it difficult to get convictions is that many of the bootleggers do a small legal business to cover quite a large illegal business.

CANNERS SECOND NOW ON 30c RATE NEXT 3 QUARTERS

May be Next December Before Further Increases Considered

Canadian Canners increased its regular dividend payment on the second preferred stock from 5 cents quarterly, paid on January 2, 1934, to 7½ cents a quarter, to be paid on April 2, 1934. It is not an actual increase in dividends because the 5 cent payment on January 2 last was supplemented with an extra payment of 10 cents per share. In other words, it made dividends 30 cents a share for the fiscal year. The significance of the present quarterly dividend is that the 2½ cents is added to the 5 cents and made a regular payment of 7½ cents a share, with the probability that it will continue at that rate to make 30 cents through 1934-35. This will be equivalent to the extra payment of 10 cents on January 2, 1934, but it is now made permanent.

Interests close to the company hardly expect there will be further increases before next winter. The recent increases have been because the company in December was in a position to assess pretty well what the results of the year ended February 28 would be. Before deciding dividends for the year to end February 28, 1935, the company will have to have before it the results of the packing season beginning next June and lasting through to November, and the market conditions that are obtaining next December. It is, of course, possible that extra payments might be made in 1934 in case the market movement of remaining inventory was exceptionally swift or profitable. On the whole, however, it is understood that the company executives are hoping rather for a steady advancement than for windfalls.

The severe winter will affect the peach crop in the Niagara Peninsula, and the company is more concerned for its export business in the crops of pears and apples. Even these are only a small part of its production and every effort is being made in the United Kingdom and elsewhere in the world to increase the demand for any surplus the company may pack in the coming season.

Ajax Oil & Gas Co. Earnings $41,936

The consolidated account of Ajax Oil & Gas Co. and its United States subsidiary, Chatham Oil Co., shows an operating profit of $144,770 for the fiscal year ended December 31, 1933, as compared with $139,798 in the previous year. The net profit after depletion, depreciation, development and taxes was $41,936 as compared with $35,542 in the previous year, notwithstanding more liberal reserves than in previous years.

Four quarterly dividends of two cents per share resulted in $79,030, being disbursed to shareholders of the 987,875 shares outstanding, leaving a debit balance of $37,801 for the year and bringing the total debit balance to $170,259.

The balance sheet dated December 31, 1933, shows current liabilities of $60,673 against current assets of $46,649, or an excess of current liabilities over current assets of $14,024, as compared with $23,945 at the end of the previous year.

F. L. Culver, president of the company, reports drilling of five shallow gas wells, one dry, in the Indian Reserve leases near Brantford, Ont., and one deep well which was dry in the Dover field of Ontario. In the East Texas field of United States four wells were drilled.

The annual meeting is called for March 19 in Toronto.

United States Struggling In New Deal Depression

Reaction After Early Rise Very Marked in Government Figures — Unbridled Spending Resorted to in Comeback Fight

By J. L. BURTON LEWIS

"At the present time we are living in an illusion, in a theoretical state."

This comment by Secretary of Agriculture Henry A. Wallace expresses the conclusion which must be drawn from the available evidence and the conflicting claims now being advanced regarding conditions and trends in the United States. It explains why almost all present discussion by the Roosevelt administration deals with what "we should do," what "we must do," and, in lesser degree, what "we might have done," rather than with what has been done.

The Government has chosen to sustain popular optimism by building up the illusion of high achievement, and has shown little realization of the fact that the American crisis is still grave. As a result, only a small part of the public realizes that the country, in the past five months, has been in a new depression which, though less acute, was fully as dangerous as the business collapse which began in 1929; yet the records prove this to be the case.

"New Deal" Depression

A great difference exists between this "'New Deal' Depression" and the "Great Depression." The recent decline occurred despite the best efforts of Government planners and spenders to avert it, and took form at a time when they believed they had found the formula for lasting prosperity, while the earlier one reached serious proportions before its meaning was realized or it was resisted.

Not only did the "'New Deal' Depression" carry several chief indices of activity downward more sharply than at any time since 1929, but it also swept the country farther away from the main goals Mr. Roosevelt set for it than it was when he took office. Even the reviews of business conditions compiled for President Roosevelt's own use by the General Statistical Board supply an impressive fund of evidence demonstrating these points.

N. Y. Times Index Down

The extent of the decline that has taken place during the Roosevelt regime is illustrated by the fact that the New York Times index of general business activity, after recording the recovery movement of last spring and summer, took a downward dip of 25 points in four months. Even now, following a new trend toward recovery, it stands 15 points below the high of last year.

It has been stressed before, however, that President Roosevelt has but little faith in a composite index of this character. He studies instead a chart on which a number of different business factors are plotted, and measures the success or failure of his recovery programmes by the way in which these separate lines move closer together or further apart. His goal is to bring production, employment, payrolls, purchasing power, prices and demand all into balance.

Only once before President Roosevelt took office was the disparity between industrial production and payrolls so great as it was in February this year, and it was never so wide between factory employment and production.

Chart Shows Trends

The accompanying table and chart, drawn from the same statistical sources as serve President Roosevelt, show both the course of business activity in the United States and, when the dates that the country put new policies in force are taken into account, the influences to which business has been responsive.

Only one of the indices shown, freight loading, had climbed back by February to the high point reached in 1933. Industrial production was still 20 points under the record mark of last year; factory employment 2.3 points; payrolls 4.6 points and department store sales 8 points. In all cases the average of activity for 1923-25 is accepted as normal or 100, and figures have been adjusted for seasonal variations.

Other important indices, not given in detail, followed the same course. Non-governmental building stood at 12 in February, down 1 point from last July. Imports were at 42 in January, a drop of 8 points below the mark for last August, while exports were at 44, a decline of 4 points below the mark for December.

Sees Little Progress

The single score made for the Roosevelt order of planned economy during the "'New Deal' Depression" was that payrolls and factory employment fell somewhat less rapidly than did industrial production. The varying ratios of recession had some tendency to bring the indices toward balance. In the past three months, however, production has again been advancing more rapidly than the other factors, and the total movement of the year has brought no progress toward the desired equilibrium.

There is nothing in the record of activity to suggest that any of the devices for industrial or agricultural control have made any substantial contribution to the economic well-being of the United States. The great advances in production, freight loading, department store sales and, in lesser degree, payrolls and employment, last year, were inspired by the N.R.A., true enough, but they came before the act was put into force. Immediately after N.R.A. became operative, these gains began to fade away.

The great spurt in production was inspired by the desire to build up large stocks of cheap goods, turned out before processing taxes and control over working hours and wages added to costs. As programmes of control became effective in August and September, the output of goods dropped away as rapidly as it had increased.

While industry was busy, freight movements also increased, and gains in employment and payroll totals were brought by this activity and by the codes. Losses in all classifications followed when the industrial output index figure dropped. The August peak in retail selling was brought by the desire on the part of consumers to beat rising costs, but trade died away when the increase in purchasing power failed to keep pace with the rise in prices.

The newest movement toward recovery showed itself during December in industry, somewhat earlier in freight loadings, and at last appears to be becoming effective in employment and payrolls, although gains in the latter classifications have not yet taken very definite form. Again, though, all the evidence suggests that the increases have not resulted from the programmes of control. Instead the results seem traceable to the fact that the Government intensified its spending programme during November and has been speeding it up further ever since.

Spending Campaign

During early autumn expenditures on relief and recovery plans were held for a time at an average of roughly $20,000,000 a day. They have since been increased to approximately $50,000,000 a day, or on an average of almost a billion dollars a month. In October it was estimated in the United States that one person out of each seven or eight receiving any income got part or all of it from the Government. Now one person in each four to five is counted as dependent in some degree on federal authorities for an income.

In these circumstances can be found the explanation of the way in which the country "beat" its "'New Deal' Depression," and of the present signs of recovery.

The way in which the cost of relief has been mounting, rather than any notion that the N.R.A. has achieved any of the ends set for it, or shown any capacity for doing so, is behind the present tremendous demand to force industry to shorten hours again, employ more men and raise wages. The Federal Government realizes that the whole "New Deal" is doomed unless millions of names can be removed from the relief rolls. Present trends lead only to chaos and extreme inflation.

Fictitious Prosperity

"We have the bull by the tail and can't let go," is the way Harry L. Hopkins, Federal Relief Administrator, expresses the problems presented by the increasing dependence being placed on the funds in his control. Only real recovery—not the fictitious kind brought by pouring out Government money and adding to the public debt—will permit "letting go."

Even though the "'New Deal' Depression" dealt with in this article was very real and serious, it at no time worked down to a level nearly so low as that reached in the "Great Depression." Further, it seems fairly certain that most U. S. business indices are due to move upward in a way that will seem healthy for a good many months to come. Since the Government plans no immediate cut in its spending programme, it is hard to see how they could be halted. There is even a chance that gains will be great enough to put the economy of the country on a sound basis and enable Mr. Hopkins to "let go of the tail."

"We may continue to live in this illusion for another year, or two or three or four," said Mr. Wallace in this regard. Probably the country will, too, for, as he remarked elsewhere: "It cannot be said that the nation as a whole is yet willing to endure the discomforts that must go with any effective solution (of its problems)."

General Johnson Wrong

There are many, of course, who argue that the things Mr. Wallace puts in the illusion class are life's tangible realities. General Hugh S. Johnson, N.R.A. Administrator, for example, believes that codification of industry has created three million jobs and added three billion dollars to U. S. purchasing power, and is capable of bringing still further increases.

He may be right, but the job and payroll index figures compiled by a Government agency for the president, and the way in which the total relief bill of the country is climbing, all seem to contradict his view.

Tax Sale Queen's Pk. Plaza Can be Redeemed in Year

Queen's Park Plaza, Toronto, has been sold for arrears of taxes, London and Western Trust Co., trustee, has advised holders of the 6½ per cent first mortgage bonds. The purchaser, F. W. Thompson, is believed to have acted for principals, but their identity is unknown at present. The property may be redeemed by the bondholders within one year of date of sale upon payment of $28,257, the sum paid by the tax sale purchaser, plus 10 per cent on this amount and expenses. The 1932 and 1933 taxes total some $17,000, and the trustee states that, if the property is redeemed, it would be advisable to pay these also, making a total required sum of about $48,000.

The bondholders' protective committee recently appealed to all known bondholders to subscribe for receiver's certificates so that the property might be redeemed for the bondholders. The trustee reports that sufficient subscriptions have not been received to warrant issue of such certificates. The trustee hopes that a sale of the property or some reorganization may be effected before the tax redemption period expires.

Quebec Gold Output Up

Gold production by Quebec mines in January totalled 33,315 oz. as compared with 32,087 oz. in December. Silver production was 34,545 oz. in January as compared with 35,651 oz. in December, while the asbestos production in January was 8,502 tons as compared with 17,326 tons in December, according to the Bureau of Mines of Quebec.

FASCIST GROUP NOW POWERFUL BRAZIL AFFAIRS

Foreign Investors Fear "Young Brazil" Party's Inexperience

LONDON CRITICAL

Patience of Investor Should be Rewarded Now Coffee Coming Back Fast — Affects Brazilian Traction

News from Brazil of advancing coffee exports at higher prices is cheerful news to shareholders of Brazilian Traction, who expect that a favorable balance of trade will restore sufficient exchange stability to allow cash payments of dividends to be resumed. The political complexion of the present Government and its attitude toward foreign capital and foreign obligations, however, has caused considerable anxiety, which has been heightened by the recent Brazil debt scheme applied to Government bonded indebtedness and the gold decree which arbitrarily cuts out of Brazilian's contracts for certain utility services the clauses under which rates are based on the value of the milreis in gold. This would not much matter if the milreis was the basic unit of a currency of reasonable stability, but that has not been the case for many years.

President Vargas attained his present position as the result of a successful revolution some years ago. There were insistent demands, backed in late 1932 by a rebellion, for an election and the result was an increasing effort by the new president to make his cabinet as representative as possible by appointments in various districts that would satisfy the prevailing sentiment. Policies have also to be shaped to meet political as well as financial needs and are difficult to foresee in their exact bearing on foreign interests because the Government includes diverse and potentially discordant elements.

"Young Brazil" Ultra Advanced

Composition of the Government is thus described by The Economist, London, in the course of criticism of the recent Brazilian debt scheme (described in The Financial Post of March 10) "as a unilateral document, thrust on bondholders as a fait accompli, by way of a presidential decree":

"The ultra-advanced 'Young Brazil' or 'Tenentes' party, of quasi-fascist character, under the effective leadership of Senhor Jose Amerco, the Minister of Public Works, has considerable influence combined with somewhat unfixed ideas on financial and constitutional questions. The industrial and political interests of San Paulo, and to a less extent of Rio, are a potential opposition whose effective force has been greatly reduced since the 1930 revolution. The finance minister, Senhor Oswald Aranha, is the capable and respected head of a limited but experienced group of older politicians, whose ability to maintain national support for the Coffee Defence policy and the fulfilment of international obligations may be governed by their power to placate, where necessary, their uneasy bedfellows. The present debt scheme may, from this viewpoint, appear less an essay in default, in eight chapters, than a skilful endeavor to secure for the bondholder the utmost the political market will bear.

Benefitting from Default Prices

"It stereotypes cash payments for four years, on a reduced scale, at a time when Brazil's position shows signs of improvement. She is regaining her commanding position in the coffee market. Her balance of payments should be substantially enhanced by the rise of 30 per cent in Santos coffee quotations since December. The scheme, above all, by permitting Brazil to employ surplus resources in market purchases of her bonds at default prices, traverses the cardinal rule that a debtor should never obtain pecuniary benefit from his own failure to meet his obligations. The market's belief that Brazil's bond purchases may eventually attain significant dimensions is evidenced by a transfer of investment interest from the Funding Loans (which, having 100 per cent service, were eagerly bought on the morrow of the scheme's publication) to the lower-priced issues. The Federal 4 per cents of 1889, for example, at 21, offer an average gross yield of 7½ per cent over the next four years, with a prospect of substantial capital appreciation if Brazil's intervention in the market is extensive."

Critical Time for Brazilians

The temper of the Government with regard to foreign investments in Brazil is further to be tested in coming months by final decisions as to rates which Brazilian Traction subsidiaries may charge for services which hitherto have been charged for on a gold basis. If the Brazilian idea of fair rates includes some regard to changing value of the currency medium it will encourage the outside investor whose money will be wanted in increasing measure later on when development of Brazil's immense resources becomes once again a profitable venture.

Improvement in coffee exports and prices may help by relieving some of the pressure from the government. In this field news that there was some slowing up in the coffee destruction programme of the Brazilian government was received with some uncertainty by shareholders of Brazilian Traction who had regarded that policy of destroying 1,000,000 bags monthly as responsible for improvement in sales and prices.

Still Burning Coffee

However, the anxiety appears to be needless. It is true that only 46,000 bags were destroyed in the first half of February, 178,000 bags in the last half of January and 112,000 bags in the first half of January, instead of the announced policy of 1,000,000 bags a month until the unwanted surplus is entirely destroyed. That still appears to be the intention of the government and slowing-up is because The National Coffee Council of Brazil had decided not to take over the sacrifice quotas until they were graded and paid for. But destruction has been authorized in the State of Sao Paulo of 1,480,000 bags alone, 450,000 bags in Minas Geraes and 173,000 bags in Parana. Under the present policy, 40 per cent of the 1933-1934 production is designated as a sacrifice quota to be paid for at the rate of 30 milreis per bag. On that basis, 11,952,000 bags of the 1933-1934 crop of 29,880,000 bags will be delivered to the department for destruction.

Since the destruction policy began in June, 1931, the government has burned or sunk 26,401,000 bags of coffee. From July to December, 1933, alone it destroyed 7,740,000 bags, eliminating an average of 1,290,000 bags a month. Simultaneously demand improved; the deliveries for consumption in February in the United States alone were the largest in the history of any one month, being 1,363,518 bags in February, as compared with 1,109,809 bags in January and only 98,000 bags in February, 1933. The United States consumption for the eight months of the crop year from July 1, 1933, to February 28, 1934, amounted to 8,289,708 bags, which is 13.3 per cent over the 7,315,819 bags consumed in the corresponding 1932-33 period.

Rogers Majestic Earnings Jumped Last Six Months

In all probability the financial statement of Rogers-Majestic Corp. for the year ended March 31, 1934, will show a net operating profit as compared with a net loss of $313,791 for the preceding year. There has been a great improvement in the business of the company ever since last September and it is believed that the last half of the company's year will have entirely reversed its operating position.

The company had a strong working capital at the outset of its year and this enabled it to take over its chief competitor, Consolidated Industries, at a price which is equivalent to 20 cents on the dollar. These two companies are believed in 1933 to have done about 35 per cent of the Canadian radio business and now, under consolidated management, with concentrated manufacturing and closing of least profitable outlets, it is probable that earnings recently have been enhanced.

Earnings of the company on inventory taken over by Consolidated Industries in itself will in all probability be sufficient to take care of the payment of 20 cents on the dollar offered to ordinary creditors of that company. The offer of one common share of Rogers-Majestic for each ten shares of Consolidated Industries is proving a good investment for the company, it is said. The inventories taken over included radios, refrigerators, washing machines, ironers, clocks and they will be merchandised in the name of Canadian Radio Corp., Rogers-Majestic subsidiary.

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DIVIDEND NOTICES

The Dominion Bank

Notice is hereby given that a Dividend of two and one-half per cent upon the paid-up Capital Stock of this Institution has been declared for the quarter ending 31st March, 1934, being at the rate of ten per cent per annum, and that the same will be payable at the Head Office of the Bank and its Branches on and after Tuesday, the 3rd day of April, 1934, to Shareholders of record of the 20th March, 1934.

By Order of the Board.

DUDLEY DAWSON,
General Manager.

Toronto, 15th February, 1934.

Penmans Limited

Dividend Notice

NOTICE is hereby given that the following Dividends have been declared for the quarter ending the 30th day of April, 1934.

On the Preferred Stock, one and one-half per cent. (1½%), payable on the 1st day of May to Shareholders of record of the 21st day of April, 1934.

On the Common Stock, Seventy-five Cents (75c) per share, payable on the 15th day of May to Shareholders of record of the 5th day of May, 1934.

By Order of the Board.

C. B. ROBINSON,
Secretary-Treasurer.

Montreal, March 5, 1934.

Dominion Glass Company Limited

NOTICE OF DIVIDENDS

Notice is hereby given that a dividend of one and three-quarters per cent (1¾%) has been declared on the PREFERRED STOCK of the Company for the quarter ending the 31st day of March, 1934.

Notice is also hereby given that a dividend of one and one-quarter per cent (1¼%) has been declared on the COMMON STOCK of the Company for the quarter ending the 31st day of March, 1934.

The above Dividends are payable on Tuesday, the 3rd day of April, 1934, to Shareholders of record at the close of business Thursday, the 15th day of March, 1934.

By Order of the Board.

MERVYN OFFER,
Secretary.

Montreal, 27th February, 1934.

DIVIDEND NOTICES

SUPERTEST Petroleum Corporation Limited

NOTICE OF DIVIDENDS

"A" PREFERRED

A quarterly dividend at the rate of 7% per annum on the Class "A" Preferred Stock of this Corporation for the quarter ending March 31st, 1934, has been declared; payable April 2nd, 1934, to shareholders on record at the close of business March 15th, 1934.

"B" PREFERRED

A quarterly dividend at the rate of 6% per annum on the Class "B" Preferred Stock of this Corporation for the quarter ending March 31st, 1934, has been declared; payable April 2nd, 1934, to shareholders on record at the close of business on March 15th, 1934.

COMMON AND ORDINARY SHARES

The Board of Directors has declared a quarterly dividend of .25c per share on the Common and Ordinary stock of this Corporation for the quarter ending March 31st, 1934, payable April 2nd, 1934, to shareholders on record at the close of business on March 15th, 1934.

SHARE WARRANTS

Share Warrant holders will present coupons, serial number 27, to the Canadian Bank of Commerce, London, Ontario, and branches in Ontario and Quebec, on and after April 2nd, 1934, where payment will be made at par.

By Order of the Board.

JAMES D. GOOD,
Secretary-Treasurer.

London, Ontario, March 8th, 1934.

Canadian Wirebound Boxes Limited

DIVIDEND NOTICE

The Directors of this Company have declared a dividend of Thirty-Seven and One-Half Cents per share on account of arrears on the Class "A" shares of the Company, payable April 3rd, 1934, to shareholders of record March 15th.

By order of the Board,

J. P. BERNEY,
Secretary.

The Whittall Can Company, Limited

Dividend Notice

Notice is hereby given that a Dividend of One and five-eighths per cent (1⅝%), being at the rate of Six and one-half per cent (6½%) per annum, on the Cumulative Convertible (Redeemable) Preferred Stock of the Company, has been declared, payable April 2nd, 1934, to shareholders of record March 15th, 1934.

By order of the Board,

D. H. MACFARLANE,
Secretary-Treasurer.

Montreal, March 6th, 1934.

The Toronto Mortgage Company

Quarterly Dividend

Notice is hereby given, that a Dividend of Three per cent., upon the paid-up Capital Stock of this Company, has been declared for the current Quarter, and that the same will be payable on and after

2nd April, 1934,

to Shareholders of record on the books of the Company at the close of business on 15th instant.

By order of the Board,

WALTER GILLESPIE,
Manager.

TENDERS FOR MUNICIPAL DEBENTURES

Tenders for $11,000.00 debentures of the Township of Cumberland, County of Russell, Province of Ontario, will be received by the undersigned at Cumberland, Ontario, up to Saturday, March 31st, 1934, or at the Town Hall, Leonard, Ontario, up to noon, April 2nd, 1934. The issue is comprised of 10 debentures, one due each year, 1934 to 1943 inclusive, bearing interest (coupons attached) at 5½% per annum from December 31st, 1933, the whole issue being retired in equal annual instalments of principal and interest. These debentures were issued to cover the cost of establishing the Cumberland Municipal Telephone System. The by-law authorizing the issue of these debentures was approved by The Ontario Municipal Board pursuant to The Telephone Act and The Municipal Board Act. Tenders must be sealed and marked "Tender for Debenture." Highest or any tender not necessarily accepted.

R. J. KENNEDY,
Clerk and Treasurer,
Cumberland, Ontario.

The Ontario Municipal Board

Notice is hereby given that the Municipality of the City of Niagara Falls has become subject to the provisions of Part VI of "The Ontario Municipal Board Act, 1932," by an Order of The Ontario Municipal Board bearing date the Third Day of March, A.D. 1934, and from and after the first publication of this Notice in the "Ontario Gazette" all actions or proceedings against the said Municipality are stayed, and thereafter no action or other proceedings against the said Municipality shall be commenced or continued, nor shall a levy be made under a Writ of Execution against it without leave of The Ontario Municipal Board.

Dated this Third day of March, A.D. 1934.

H. C. SMALL,
Secretary,
The Ontario Municipal Board.

NOTICE

To Canadian Policyholders of the Alliance Casualty Company, Philadelphia, Pennsylvania, U. S. A.

On June 1, 1933, the Alliance Casualty Company, Philadelphia, Pennsylvania, U. S. A., reinsured, with the Indemnity Insurance Company of North America, Philadelphia, Pennsylvania, U. S. A., all of its unexpired policies, outstanding obligations and liabilities. On June 16, 1934, application will be made to the Minister of Finance for the release of its securities deposited and now held by the Receiver General and any Canadian Policyholders opposing such release should file their opposition with the Minister of Finance on or before that date.

ALLIANCE CASUALTY COMPANY,

FRANK A. EGER,
Secretary.

REFRIGERATORS WESTINGHOUSE BRIGHTEST LINE

Radio Sets, Tubes and Light Bulbs Also Active

MINING BOOM HELPS

Annual Report Due Soon — Officials Show Value of Public Buying from Stable Firms

By Staff Editor

HAMILTON.—Canadian Westinghouse Co. is enlarging its refrigerator division, originally opened in 1932 and understood to be the brightest spot in its operations at present. Manufacture of radio chassis and tubes is active and 1934 radio models are in process for delivery in April. One five-tube model was placed in dealers' hands in March.

Merchandise products like radios and refrigerators, and consumer goods like radiotrons, light bulbs and heating appliances have been more active than heavy departments, officials inform The Financial Post. Nevertheless, activity in mining areas has brought the company worth-while benefits in its foundry and other heavy apparatus departments, it is understood.

The company's annual report will be issued within a month, it is understood, but no advance indication of earnings for 1933 is available. Earnings were $1.31 a share in 1932 and $3.41 in 1931 on the 540,000 common shares outstanding.

Study Air Conditioning

Air-conditioning equipment is being studied by the company, The Financial Post is informed. It may be some time, however, before Westinghouse will offer such equipment on a wide scale, it is stated. The reason is that the company requires such developments to be thoroughly tested before giving them approval for sale to the public. As an instance of this policy, it is cited that 12 years were spent in development work before the company placed its electric refrigerator on the market.

Air-conditioning is in its initial stages. Consequently, installations that have been made by some firms without thorough research have been not entirely satisfactory. Westinghouse officials point out that backing in money, experience and engineering is necessary before efficient air-conditioning equipment can be made available for all purposes. This is particularly the case in Canada where weather and temperature conditions are much different from those in the United States, where installations on a large scale are being made.

Urge Legitimate Buying

Important officials of Canadian Westinghouse Co. pointed out to The Financial Post the need for the public to buy from legitimate firms that have been and will continue to be in business for many years. There is not as much public recognition of this as there should be, it is contended. The obvious reasons for avoiding "orphan" merchandise are that such products lack a background of research and engineering experience; and that adequate service and parts for maintenance are frequently not available. Buying what should be valuable equipment purely on a price basis is likely to prove a false economy because of low re-sale value, high cost of repairs, and inefficient servicing, it was stated.

The company's radio operations are carried on in two Hamilton plants. Chassis are made in a three-story building in the main plant of about 30,000 ft. of floor space. Cabinets are ordered from furniture manufacturers. Tubes are made in the Hamilton West plant, from filament to finished product. Filaments are drawn by machine, but the actual interior mounting of filaments, grids and component parts is done by hand with watch-like precision. A high degree of speed and skill is exhibited by the girls doing this work, which is tested and re-tested. Some of the testing devices are as ingenious as the tubes themselves. The tubes that are rejected and destroyed as seconds would satisfy the needs of most radios, but are not quite good enough to offer to the public.

Radio Tubes Important

The tube manufacture is a substantial part of the radio section, which in turn is a substantial part of the Canadian Westinghouse business, it is stated. Tubes are made in only a few Canadian plants, so that many radio manufacturers equip their sets with tubes made by concerns like Westinghouse.

It is noteworthy that Westinghouse Electric and Manufacturing Co., the United States concern with which the Canadian company is affiliated, and to whose researches and patents it has full access, was a pioneer in developing the alternating current radio tube. Probably the first public announcement of this development was an article in The Electric Journal, New York, by H. M. Freeman of the Westinghouse research department in December, 1922. He demonstrated "a practical alternating current receiving tube," which, however, was not deemed perfect by the company. Hence, while research was still in process, other organizations brought out A.C. tubes and claimed originality.

The refrigerator section of the Hamilton plants is being enlarged. Since commencement of this branch of manufacture in 1932, the company has successfully expanded its sales, it is understood. The all-metal cabinets are made and finished in Hamilton. The compressor and pumping unit, considered by independent engineers a mechanical work of art, is hermetically sealed with a lifetime oil supply. Only a small fraction of one per cent of these complete cooling units ever requires attention having once passed the exhaustive factory tests.

One of the unique developments is an automatic thermostatic device by which the motor is turned off if it reaches a moderate increase in temperature and automatically re-started when cooled. This does away with the awkward fuse, which does not automatically allow a machine to recommence running. The patents for this device alone cost the Westinghouse organization some $30,000 per year in royalties.

DIVIDEND NOTICES

Ottawa Light Heat and Power Company, Limited

DIVIDENDS

Notice is hereby given that the usual dividends have been declared for quarter ending 31st March, 1934, payable to Shareholders of record 15th March, as follows:—

PREFERRED STOCK: 1⅝% (being at the rate of 6½% per annum), payable 2nd April, 1934.

COMMON STOCK: 1½% (being at the rate of 6% per annum), payable 2nd April, 1934.

The transfer books will not be closed. By Order.

F. W. FEE, Secretary.

Ottawa, 9th March, 1934.

McCOLL-FRONTENAC OIL COMPANY LIMITED

Preferred Dividend No. 25

NOTICE IS HEREBY GIVEN that a Dividend of $1.50 per share, being at the rate of 6 per cent per annum, has been declared on the 6 per cent. Cumulative Preferred Stock of McColl-Frontenac Oil Company, Limited, for the quarter ending March 31, 1934, payable April 14, 1934, to Shareholders of record at the close of business on March 31, 1934.

By Order of the Board,

FRED HUNT,
Secretary.

March 9, 1934.

Dominion Textile Co. Limited

Notice of Preferred Stock Dividend

A DIVIDEND of One and Three Quarter per cent. (1¾%) has been declared on the Preferred Stock of DOMINION TEXTILE COMPANY, Limited, for the quarter ending March 31st, 1934, payable April 16th, 1934, to shareholders of record March 31st, 1934.

By order of the Board,

L. P. WEBSTER,
Secretary.

Montreal, March 3rd, 1934.

BRITISH COLUMBIA POWER CORPORATION, LIMITED

DIVIDEND No. 23

NOTICE is hereby given that a dividend of Thirty-eight cents (38c.) per Share on Class "A" Shares of no par value has been declared for the three months ending March 31, 1934, payable to Shareholders as of record on that date (less 5% Dominion of Canada tax in the case of non-residents of Canada) by the Montreal Trust Company Montreal, Canada, on April 16th, 1934.

By Order of the Board,

ERNEST ROGERS,
Secretary

Vancouver, B.C.,
March 10, 1934.

UNDER THE MANAGEMENT OF POWER CORPORATION OF CANADA LIMITED

Canada Northern Power Corporation, Limited

Common Dividend No. 19

NOTICE is hereby given that a Dividend of 25c. per share being at the rate of $1.00 per annum, has been declared on the no par value Common Stock of CANADA NORTHERN POWER CORPORATION LIMITED for the quarter ending March 31st, 1934, payable April 25th, 1934, to shareholders of record at the close of business on March 31st, 1934.

By order of the Board,

L. C. HASKELL, Secretary.

Montreal, February 27th, 1934.

Western Grocers Limited

Notice of Dividend

A dividend of one and three quarters per cent (1¾%) on the Preference Stock of Western Grocers Limited, has been declared for the quarter ending March 31st, 1934, payable April 15th, 1934, to shareholders of record March 20th, 1934.

By order of the Board,

W. P. RILEY,
President.

Winnipeg, March 7th, 1934.

McWatters To Construct 50 Ton Mill

Rouyn township, Quebec, is to have another mill constructed this summer. The McWatter Gold Mines has just received a geological report from its consulting engineer, Dr. W. F. James, which carries the recommendation to construct a 50-ton daily capacity mill to treat the ore in sight while prospecting for more.

Following a period of uncertainty in its underground programme, the affairs of the company have changed in recent months and seven lenses of ore, known respectively as A, B, B1, C, D, E and F have been partially delimited, which indicate some 21,000 tons of gold ore averaging $11.34 per ton at normal value, or $19.84 per ton at existing values. This is sufficient to supply the proposed 50-ton mill for 14 months operation.

It is estimated that $100,000 will be required to construct the mill, build the electric sub-station and put the property on a self-sustaining basis. With gold at present value the estimated profit in this ore is $186,000 after amortizing the cost of the mill.

McWatters Gold Mines was incorporated in November, 1932, with a capitalization of 2,000,000 no par value shares, following the discovery in the previous September. Prospectors Airways, the vendors of the property own 660,000. Development has been financed by Anglo-Huronian and Ventures Ltd. At the present time some 425,000 shares remain in the company's treasury, sufficient to bring it into production on a self-sustaining basis.

As soon as the snow leaves the ground, foundations for the mill will be started and it is expected that it will be in operation by August next.

CORRUGATED BOX EARNINGS GAIN; CASH IS HIGHER

Contrasts With Deficit Shown in 1932 and 1931

Increased volume of business and further reductions in operating costs are stated to be responsible for increased earnings reported for Corrugated Paper Box Co. in 1933. After provision for depreciation, the company earned $15,747, or $1.96 per share on the 8,034 shares of $100 par value preferred stock outstanding. This compares with a deficit of $17,416 in 1932 and a deficit of $71,297 in 1931.

Consolidated Income and Surplus Account Years Ended December 31

	1933 $	1932 $
Net earnings	59,941	26,265
Less: Deprec.	44,194	43,681
Net profit	15,747	*17,416
Add: Prev. surp.	95,661	107,034
Sundry adjs.	.....	6,048
Less: Inc. tax	247	.....
Sundry adjust.	1,032	.....
Bal. car. forward	110,129	95,661

*Deficit.

Working capital position was strengthened as a result of improved earnings and the ratio of current assets to current liabilities was increased to 5.11 to 1 from 3.22 to 1. Cash is up to $10,291 from $1,667; accounts receivable are up to $93,169 from $80,513 and inventories to $115,198 from $93,706. Bank loan has been reduced to $17,770 from $32,405 while accounts payable are slightly higher at $24,135. Working capital position is as follows:

	1933 $	1932 $
Cuurrent assets	218,658	175,888
Current liabilities	42,768	54,627
Working capital	175,890	121,259
Ratio	5.11—1	3.22—1

Fixed assets are shown at $1,125,903 before deduction of depreciation reserve which now amounts to $257,248. Mortgage payable on the Winnipeg plant of Hilton Brothers Ltd., has been reduced to $8,000 from $14,000. Organization and preliminary expense is reduced by $1,655 to $51,911. Investments are shown at $8,595. In addition to the preferred shares there are 47,000 shares of no par common stock including 1,245 shares unpaid.

ZIMMERKNIT HAS HIGHER PROFIT; BANK LOAN DOWN

Preferred Shares Earn $14.30 Against $2.30 in 1932

Marked improvement is shown in trading profit of Zimmerknit Co. for 1933 and after providing for bond interest, depreciation and taxes, the company earned $14.30 per share on the 2,500 shares of preferred stock outstanding. Trading profit was $148,528 which compares with profit of $52,255 in 1932 and $2,675 in 1931. In 1932, $2.30 per share was earned on the preferred stock.

The predecessor company, Zimmerknit Ltd. went into receivership in 1930 and was reorganized late in that year. At that time control was acquired by a group headed by J. Douglas Woods of the York Knitting Mills and Woods Underwear Co. and under Mr. Wood's management progress has been shown in each succeeding year. Income and surplus account for the past two years is as follows:

Cons. Income and Surplus Account Years Ended December 31

	1933 $	1932 $
Net earnings*	148,528	52,255
Less: Bond interest	45,000	45,000
Bond interest	1,500	1,500
Depreciation	58,284	.....
Prov. for inc. tax	8,000	.....
Surplus for year	35,744	5,755
Prev. deficit brought fwd.	27,026	32,781
Add: Adj. life ins.	2,463	.....
Bal. carried forward	11,181	†27,026

*After operating and administrative expense but before depreciation.
†Deficit.

Improved earnings are reflected in working capital position. Cash remains negligible but the secured bank loan has been reduced to $86,407 from $149,441. Receivables are up $224,813 from $208,867 and inventories to $724,870 from $562,081. Accounts payable are up to $176,895 from $132,731. Among non-current liabilities is shown a loan of $100,000 from a shareholder. Working capital position is as follows:

Working Capital

	1933 $	1932 $
Current assets	973,981	808,253
Current liabilities	271,301	282,172
Working capital	702,680	526,081
Ratio	3.59—1	2.86—1

Fixed assets, after reserves, are shown at $794,229. Deferred assets are slightly lower at $18,665. There remains outstanding $250,000 of 6 per cent first mortgage bonds and $500,000 of 6 per cent second mortgage bonds. In addition to the 2,500 shares of $100 par value preferred stock there are outstanding 65,880 shares of common stock while options are outstanding for another 33,495 common shares.

GUELPH TRUST CO. MAINTAINS PROFIT

Estates Business Shows Increase; Deposits Maintained

Guelph Trust Co. had net profit of $35,565 in 1933 and after provision for taxes earned 9.9 per cent on paid up capital of $801,000, as compared with 10.46 per cent in 1932 and 10.04 per cent in 1931. Reserve fund was increased by $10,000 to $150,850 and $10,000 was placed in investment reserve. Dividends were paid at the rate of 5 per cent. Profit and loss surplus was reduced to $22,027 from $27,247.

Estates, trusts and agencies under administration had assets of $1,340,743 as compared with $1,278,708 in 1932 while trust funds for investment were slightly higher at $514,330. Investments of the company are principally in mortgages which show little change. Mortgages in guaranteed trust account are shown at $493,779 and in capital account at $448,388. The statement shows no real estate held for sale.

Record of the company for past six years is as follows:

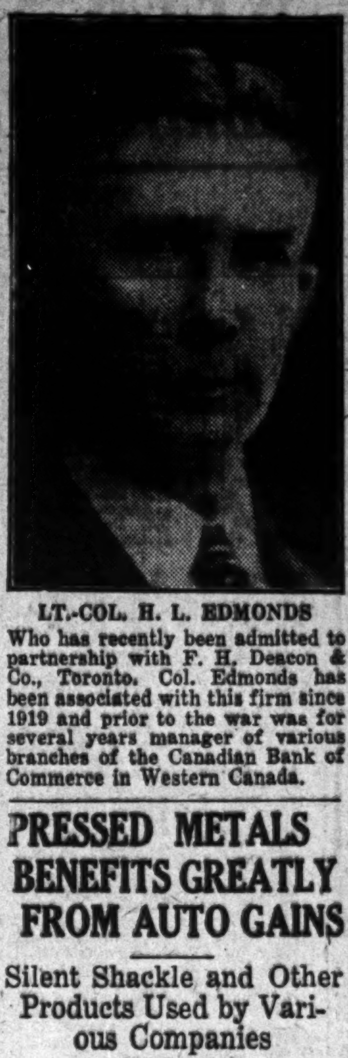
Earnings Record

Year	Paid-up Capital $	Net Profits* $	Div. Rate $	Rate Earned $
1928	299,000	29,923	2.50	5.00
1929	299,000	31,375	2.50	5.24
1930	301,000	31,924	2.50	5.30
1931	301,000	30,264	2.50	5.02
1932	301,000	31,496	2.50	5.23
1933	301,000	29,830	2.50	4.95

*Less taxes.

Year	Guar. Account $	Estates under Adminis. $	Total Reserves $
1928	408,290	801,222	100,650
1929	481,216	1,848,465	110,650
1930	480,812	1,445,491	120,850
1931	509,576	1,277,236	130,850
1932	514,739	1,278,707	140,850
1933	513,240	1,340,743	150,850

New Partner



LT.-COL. H. L. EDMONDS

Who has recently been admitted to partnership with F. H. Deacon & Co., Toronto. Col. Edmonds has been associated with this firm since 1919 and prior to the war was for several years manager of various branches of the Canadian Bank of Commerce in Western Canada.

PRESSED METALS BENEFITS GREATLY FROM AUTO GAINS

Silent Shackle and Other Products Used by Various Companies

PROFIT SHOWN

Replaces Loss Shown in Preceding Year — Officials Expect Better Results in 1934

Sudden upsurge in the production of automobiles in the last four months of 1933, The Financial Post understands, is mainly responsible for the financial statement of Pressed Metals of America, Inc., 1933, showing net operating income of $63,400 as compared with only $476 in 1932. After depreciation and loss on sale of securities the net operating profit for 1933 was $31,361, as compared with a net operating deficit of $23,861 in the preceding year. As a result of this excellent showing the company was able during the year to change an accumulated deficit of $20,511 into a surplus of $12,269 to carry forward into 1934. Profits amounted to 28 cents a share on common.

As sales and output of motor cars have been keeping up in 1934 and prospects are much better for the entire year than they were for 1933, directors are very hopeful that the position will be considerably improved in the current year.

Shackle Sales Expand

J. W. Leighton, president, points out that the company's operations in the last two years have been developed from a limited and unprofitable business to one of greater volume of sales. The company's patented Silent U Spring Shackles are standard equipment on the following 1934 automobiles: Buick Nos. 40 and 50, Chrysler Six, Chrysler Airflow Eight, Chrysler Imperial, Continental, De Soto, Dodge, Hupmobile, Lafayette, LaSalle, Nash, Oldsmobile Six and Eight, Plymouth, Reo, Studebaker B and C, and Terraplane Six and Eight.

Silent Pivots, also a patented product for the unshackled ends of springs, have been adopted by a large number of cars.

Twelve important parts (covered by patent applications) and used on the new "Knee Action" or "Independently Sprung Front Wheels," are now being supplied for Buick, Chrysler Six, Dodge, LaSalle, Oldsmobile and Plymouth.

The company's plant has been recently equipped with new machinery and tools to permit of much greater output.

INCOME AND SURPLUS ACCOUNT, YEARS ENDED DECEMBER 31

	1933 $	1932 $
Net operating income	63,400	476
Total operating income	.....	.....
Less: Depreciation	28,294	22,732
Taxes paid	.....	1,070
Net operating profit	35,106	*23,326
Less: Loss on sale of secs.	3,743	535
Net profit	31,361	*23,861
Less appropriations: Common dividends	.....	6,923
Surplus for year	31,361	*30,784
Add: Previous surplus	*20,511	8,812
Profit (Detroit land cont's)	1,418	1,461
Balance carried forward	12,269	*20,511

*Deficit.

The company's working capital has been well maintained during the year as shown by the following table:

Working Capital

	1933 $	1932 $
Current assets	297,223	297,964
Current liabilities	38,568	38,374
Working capital	258,655	259,590
Ratio	7.70—1	7.76—1

Although net current assets showed little change, there were the following changes in items making up the total: cash up from $1,914 to $25,222; cost of short time securities down from $44,104 to $39,933; cost of secured notes down from $59,208 to $53,899; accounts receivable up from $44,416 to $58,539; land contracts, less reserve, down from $64,767 to $51,741; inventories down from $83,560 to $67,893. The drop in inventories is principally due to a drop in unmanufactured metals from $52,183 to $34,118. The drop was more apparent than real as the company, at the time 1933 was ending was unloading raw metals valued at $14,227, invoiced late in December and not taken into consideration on the books until January, 1934.

Loblaw Profit and Sales Are Higher Than in 1933

Sales and profits of Loblaw Groceterias Co. showed marked increase in the four weeks ended February 10 when compared with the corresponding period in 1933. Sales at $1,190,629 were higher by 11.6 per cent while profit, at $73,201, was higher by 19.88 per cent. Since November, 1933, sales have shown an increase over sales in the same period of the preceding year but the February period is the first in which profits have also shown increase.

In the 36 weeks ended February 10 sales totalled $9,917,005, an increase of 1.48 per cent over sales in the same period of the previous fiscal year. Profits are shown at $541,640 which represents a decrease of 9.43 per cent.

Canadian Pacific Railway Income On Favorable Basis

Surplus After Providing for Senior Charges Higher Than in 1932 Despite Drop of Nearly $10,000,000 in Gross Revenue

From Our Own Correspondent

MONTREAL — Both operating and special income of the Canadian Pacific Railway registered an increase in 1933 over 1932, despite a drop of between $9,000,000 and $10,000,000 in gross revenue from operations. While the amount of net income shown as being available for dividends on the preferred shares was less than 25 per cent of requirements, the showing made by the company last year was highly satisfactory in view of the limitation in the volume of traffic offering.

Examination of the comparative preliminary accounts, copy of which follows, reveals a number of interesting sidelights on the problems encountered by the management in "making both ends meet" in 1933. The reduction of $9,667,026 in operating income was more than offset by a decline of $10,439,147 in operating expenses.

Smelters' Dividends Helped

The income account was greatly helped last year by an increase of $1,685,056 in special income. Detailed particulars of this account show that net revenue from investments jumped from $37,450 in 1932 to $1,306,181. This was primarily due to the inclusion of a stock dividend of 10 per cent and a cash dividend of six per cent from the company's stock holdings in Consolidated Smelters. The comparison is thrown out of balance by the fact that in 1932 no revenue was received from Smelters. It will be recalled that the mining company declared a stock dividend at the end of 1932. Sufficient notice had not been given by the company to the stock exchange, so that payment of the dividend had to be held over until 1933.

Interest on deposits, income from other securities and the results of separately operated properties, aggregated $1,762,521 in 1933 compared with $2,962,783 in 1932.

More From Steamers

Net earnings from coastal and ocean steamships totalled $2,178,836 up from $1,034,854 a year ago. In comparing income in this division it should be noted that in 1932 provision of $500,000 for depreciation was deducted from special income, while in 1933 depreciation was charged to profit and loss surplus revenue account.

Net earnings from hotels, newsstands, telegraphs, etc., advanced from $502,839 in 1932 to $975,213 in 1933.

Fixed charges in 1933 at $24,388,615 were the highest ever reported by the company. The increase over the previous year was due to a full year's interest on the six per cent collateral trust notes, larger interest requirements on the equipment trust notes, and sundry increases for rentals.

	1933 $	1932 $	1931 $	1930 $	1929 $
Gross earnings	114,269,688	123,936,714	142,339,648	180,900,804	209,730,955
Working expenses*	93,407,582	103,846,729	116,654,776	142,652,146	166,586,411
Net earnings	20,862,106	20,089,985	25,682,872	38,248,658	43,144,544
Special income	*6,222,481	4,537,425	10,951,964	20,042,923	15,232,200
Total income	27,084,587	24,627,410	36,634,836	58,291,581	58,376,764
Fixed charges	24,388,615	23,619,529	22,050,364	19,159,865	16,149,003
Surplus	2,695,972	1,007,881	14,584,472	39,131,716	42,227,761
Pension fund*	1,438,811	750,000	750,000	750,000	750,000
Net revenue	1,257,161	257,881	13,834,472	38,381,716	41,477,761
Pfd. dividends	......	2,745,138	5,410,697	5,005,623	4,374,790
Balance	1,257,161	†2,487,257	8,423,775	33,376,093	36,807,971
Ord. dividends	......	......	16,750,000	33,242,907	30,750,000
Net surplus	1,257,161	†2,487,257	†8,326,225	133,186	6,057,971

* Special income is before depreciation on ocean and coastal steamships. In 1932 provision of $500,000 for such depreciation was deducted from special income. In 1933, provision for depreciation has been charged to profit and loss surplus revenue account.
† Net debit chargeable to surplus.

CANADA PAPER CO. IMPROVES STATUS DURING PAST YEAR

Howard Smith Subsidiary Balance Sheet Stronger and Profits Up

From Our Own Correspondent

MONTREAL — Canada Paper Co., subsidiary of Howard Smith Paper Mills, features in its 1933 financial statement an increase of $133,586 in working capital; a reduction of $119,000 in funded debt; a minor decrease in bank loans; and a loss of $10,999 after making provision for all charges, including dividends paid to minority stockholders of subsidiary companies.

Better operating conditions experienced by the company in 1933 are reflected in an increase in operating income from $184,097 in 1932 to $220,683 last year. The amount of net earnings available for bond interest and other charges of $22,172 was approximately $13,000 less than in 1932 owing to the fact that the discount on bonds redeemed was written off as an adjustment on fixed assets.

Details of profit and loss income account for the past two years follow:

	1933 $	1932 $
Net revenue	222,171	197,946
Add: Disc. on bonds	56,645	37,440
Less: Adjust. fixed assets	56,645	......
Net income	222,171	235,386
Less: Bond interest	92,932	100,560
Exchange prem.	7,566	12,170
Depreciation	117,546	96,697
Inventory res.	11,127	......
Income tax	1,000	1,537
Misc. adjust.	......	22,991
Net profit	*7,999	†1,431
Divid. min. stock	3,000	3,000
Deficit	10,999	1,568
Brought forward	272,042	270,474
Carried forward	*283,041	*272,042

*Deficit. †Net profit.

Reduction in Liabilities

At the end of 1933 Canada Paper had assets totalling $6,335,609 compared with $6,351,899 at the 31st of December, 1932. Bank loans were reduced during the year by $10,000 to $270,000. A new item among the current liabilities this year is notes of subsidiary company under discount amounting to $21,307.

A mortgage payable has been reduced from $34,000 to $32,000, while the outstanding funded debt has declined from $1,559,000 to $1,440,000. Other items among the liabilities do not show any material difference from those reported a year ago.

Cash Position Better

The principal change among current assets is an increase in cash resources from $93,151 to $121,544. Investments in other companies are shown at $1,514, or book value. In the 1932 report, investments and advances in other companies totalled $10,054, so that during the past year the advances were repaid to the Canada Paper Co.

Guarantee deposits have been increased from $7,000 to $11,875. Cash in the hands of trustee for bondholders, cash held in sinking fund and deferred charges, show minor changes.

Property account shows no change in the value placed against timber limits, while land, buildings, plant, equipment, etc., are shown at $4,657,288 as against $4,700,171 a year ago.

The profit and loss account at the end of 1933 showed a deficit, before providing for income taxes, of $289,276. This compares with $279,101 a year ago.

HOWARD SMITH CONSOLIDATED ACCOUNTS GAIN

Gross Income Advances Nearly $300,000 in 1933

From Our Own Correspondent

MONTREAL — Howard Smith Paper Mills and subsidiary companies' consolidated report for 1933 shows a material improvement, both as regards earning power and financial position in comparison with that reported for 1932.

Highlights of the consolidated report for 1933 are a reduction in bank loans by $671,500 to $756,000; reduction in the outstanding funded debt by $192,900; an increase in working capital of $861,709, and a decline in deferred liabilities of $65,012.

Larger Depreciation

Gross income for 1933 totalled $1,676,489. This compares with $1,377,554 in 1932. The appropriation for depreciation was increased to the extent of $335,366 over the previous year, and a reserve of $140,627 was set up to cover the company's products in the hands of subsidiary units. After making provision for all these charges, including bond interest, taxes, dividends on subsidiary stocks, etc., there remained a surplus for the year of $181,602, as against $127,168 in 1932.

Details of profit and loss income account for the past three years follow:

	1933 $	1932 $	1931 $
Net op. prof.	1,655,265	1,188,980	1,043,769
Oth. inc.	18,636	42,265	53,955
Tot. inc.	1,673,901	1,231,245	1,101,715
Sundry	*2,588	*146,309	......
Tot. rec.	1,676,489	1,377,554	1,101,715
Bond int.	529,607	552,990	560,919
Balance	1,146,882	824,564	540,796
For. exch.	48,545	67,850	54,305
Balance	1,098,337	756,714	486,491
Deprec., etc.	761,721	426,354	420,172
Balance	336,616	330,360	66,319
Tax res.	7,028	1,630	3,957
Balance	329,588	328,730	62,362
Cont. res.	......	50,000	......
Balance	329,586	278,730	62,362
Misc. adjust.	1,753	145,958	......
Balance	327,833	132,772	62,362
Invent. res.	140,627	......	......
Net prof.	187,206	132,772	62,362
Pfd. divid.	......	......	47,604
Balance	187,206	132,772	14,758
Divs. on subs.	5,604	5,604	7,500
Surplus	181,602	127,168	7,258
Prev. surp.	1,327,760	1,200,592	1,193,334
P. & L. bal.	1,509,362	1,327,760	1,200,592

*Discount on bonds redeemed $30,933, less $78,347 adjustments to fixed assets.

Working Capital Position

	1933 $	1932 $	1931 $
Curr. assets	3,121,919	3,026,972	4,010,621
Curr. liabs.	1,288,826	1,995,598	3,065,049
Work. cap.	1,833,083	1,031,374	945,572

Bank Loans Lower

Consolidated balance sheet as at December 31, 1933, shows assets totalling $24,673,942 compared with $24,614,699 at the close of 1932. As already pointed out, bank loans have been reduced from $1,427,500 to $756,000.

The outstanding funded debt of subsidiary companies has been reduced from $2,566,300 to $2,434,400, while the parent company's funded debt has declined from $6,790,000 to $6,729,000.

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A Chartered Accountant

Experienced in security brokerage work.
To act as internal auditor for firm with several branches.

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NEWS FROM

Canada's Capitals

A week-by-week summary from Ottawa and the provincial capitals of legislative developments of interest to business.

Week in Ottawa

OTTAWA, Mar. 5 — Commons: Amendment to Fruit Act, providing for bonding of brokers, grading of fruit and honey, given first reading. Committee to enquire into Radio Commission appointed.

Mar. 6—Commons: Bill creating a Bureau of Translation given second reading 108-51.

Senate: Hospital Sweepstakes bill given second reading 40-23.

Mar. 7—Commons: Private members' resolutions concerning egg and hog grading and the importation of fuel considered.

Senate: First reading given to the revised Canada Shipping Act.

Stevens' committee: J. S. McLean, president of Canada Packers, Toronto, gave evidence as to wages paid by his company and general conditions in the industry.

Commons Committee on Banking: Revised bank bill considered; 77 sections approved. C. G. Power, Lib., Quebec South, moved for enquiry into bank loans to pulp and paper industry and advances on wheat; also the extent to which there are interlocking directorates. Decision on power motion deferred until next week.

Senate Committee on Banking: Amendments to Foreign Insurance Companies Act ordered to be redrafted.

Mar. 8—Commons: Debate on Central Bank Act continued.

Senate: Shipping Act given second reading. Amendments to Canadian and British Insurance Companies Act introduced.

Stevens' Committee: Warren K. Cook of the Canadian Association of Garment Manufacturers, Toronto and George S. Hougham, executive secretary of the Ontario Branch, Retail Merchants Association, were the witnesses.

Mar. 9 — Commons: Central Bank bill given second reading.

Stevens' Committee: Retail Merchants Association officials of Manitoba and Saskatchewan gave evidence.

* * *

Alberta

EDMONTON, Mar. 2—Thorough investigation of agricultural problems approved by legislature; debt adjustment act administration also to be probed.

Mar. 5—Annual report of public utilities commission tabled. Ask more powers to administer milk prices, drastic enforcement needed. New act "to facilitate orderly payment of debts" introduced — referred to law committee; under the measure a debtor may apply to courts to be brought under the act and then creditors would receive proportion of his income at regular intervals; meanwhile they could not prosecute.

Mar. 6—Premier Brownlee proposed a zoning plan for provincial telephones so that sections would be be kept in operation for social service purposes. Legislature adopted resolution calling for enquiry into provincial telephone activities. Resolution calling attention to complaints over grading of grain introduced; agricultural committee will investigate.

Mar. 8—Budget speech reported no new provincial taxes; higher taxes on large incomes, deficit of $524,107 forecast; revenue $14,600,000, expenditure $15,121,000. Resolution calling for federal action to reduce interest rates on bank savings adopted. Expect deficit of over $2,000,000 for current fiscal year.

* * *

British Columbia

VICTORIA, Feb. 28—Farmers' Institutes asked controlled marketing legislation; agricultural committee expressed confidence in federal plans for marketing act.

Mar. 1 — Debate speech featured attack on lumber interests for wasting B. C.'s resources by indiscriminate cutting; brought proposal of state medicine; attack on Oriental labor.

Mar. 3—Case for controlled marketing of milk placed before the house. G. G. McGeer called for codification of all B. C. industry; consolidation and revision of provincial and municipal finance through one taxation machine; creation of single health and education machine for the whole province.

Mar. 6—Budget expected Mar. 12. Amendment to public schools act would provide free tuition until age 18. Announced that investigation meat prices as between producer and consumer would be launched.

* * *

Manitoba

MANITOBA, Mar. 5 — Provincial budget criticized by Sanford Evans, opposition leader; charged false impressions created; said cut in estimates was $273,000 instead of $1,000,000 as stated. Amendment to Masters and Servants Act to protect wages of servants given second reading.

Mar. 6—Announced that details of Manitoba's part in wheat agreement would be made known in a week's time.

Mar. 8 — Announced that preparations were under way to fight grasshoppers in greatest battle in history of province. Number of municipal bills given second reading.

Mar. 9—Operation of wage tax resulted in increase in revenue of $788,000. Revenue from eight taxation acts under Manitoba Tax commission brought $6,105,000, it was announced. Amusement tax, $157,000, down $39,000; gasoline tax $1,643,600, up $172,100; motor licenses $893,600, down $51,100; income tax $977,200, down $91,800; corporation tax $723,800, down $51,600; railway tax $604,400, down $1,200.

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WEEK'S CANADIAN STOCK AND BOND QUOTATIONS

Montreal, Toronto and Curb Markets

WEEK ENDING MARCH 12

Range 1934 High	Range 1934 Low	Divd. Rate in $	Yield in % Mar. 10		Sales	Close Mar. 5 (or last)	Week Ending Mar. 12 High	Week Ending Mar. 12 Low	Week Ending Mar. 12 Close
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Active Unlisted Bonds

(Furnished by A. J. Pattison, Jr. & Co., Limited)
March 13, 1934

Industrial Bonds—

		March 13 Bid	March 13 Asked	Mar. 6 Bid
Abitibi P. & P. 5% 1953	F	43.00	44.00	34.25
Abitibi P. & P. C.O.D.	F	40.00	41.00	30.00
Acadia Sugar 6% 1946		98.75	100.50	98.25
Alta. Pacific Grain 6% 1946		79.00	82.00	76.50
American Sales Book 6% 1939		100.00	....	98.00
Asbestos Corp. 6% 1941	F	78.00	78.00	77.00
B. A. Oil 5% 1945		101.00	103.00	100.50
B. C. Pulp 6% 1950	F	64.00	68.00	62.00
B. C. Pulp 7% 1950	F	24.00	....	20.00
Burns 5½% 1948	F	39.50	41.50	40.00
Can. Biscuit 6½% 1946		25.25	27.00	25.00
Can. Bread 6% 1941		85.00	88.00	83.00
Can. Cement 5½% 1947		90.00	93.00	88.25
Can. Steamship 6% 1941	F	29.50	31.50	23.50
Can. Canners 6% 1950		98.75	101.00	99.25
Can. Copper Refin. 6% 1945		106.00	109.00	106.25
Can. Cottons 5% 1940		97.25	....	97.00
Can. Goodrich Income 7/43	F	35.25		35.25
Can. Rail & Harbor 6½/51	F	27.00	28.50	26.75
Can. Vickers 6% 1947		59.25	61.25	59.00
Colonial Steamship 6% 1954	F	44.25	....	44.00
Cons. Invest. 4½% 1959	F	66.50	....	66.00
Davies, Wm. 6% 1942		99.00	101.00	99.25
Debenture & Sec. 4% 1936		70.25	....	72.00
Dom. Tar & Chemical 6% 1949		87.00	90.00	83.00
Dom. Telegraph 5½% 1978 A		93.00	97.00	80.00
Dom. Textile 6% 1949		106.00	109.00	106.50
Dom. Woollens 6% 1948	F	36.00	39.50	37.00
Donnacona Paper 5½% 1948	F	42.00	46.00	39.00
Eastern Dairies 6% 1949		62.50	66.00	67.00
Famous Players 6% 1948		91.00	94.00	90.00
Federal Grain 6% 1949		78.00	81.00	74.50
Firestone Tire 7% 1937		96.25	....	96.00
Fraser Co. 6% 1950	F	41.00	44.00	37.50
Galt Brass 7½% 1941	F	25.00	....	25.00
Gen. Steel Wares 6% 1952		77.00	81.00	73.50
Goodyear Cotton 6% 1949		103.25	104.25	103.50
Great Lakes 6% 1950	F	42.00	45.00	38.50
Gypsum, Lime & Alab. 5½% 1948		76.50	79.50	74.50
Hamilton By-Prod. 7% 1943		99.25	101.00	99.00
Harris Abattoir 6% 1947		102.00	....	103.00
Howard Smith 5½% 1953		90.00	93.00	89.25
Lake St. John 6½% 1947	F	53.00	55.50	47.00
Lake St. John 6½% 1942	F	20.50	22.50	14.00
Loew's Toronto 6% Serial		98.25	100.00	98.00
Maple Leaf Milling 5½% 1949		35.00	37.00	38.50
Massey-Harris 5% 1947		73.25	75.00	73.00
McColl-Frontenac 6% 1949		100.00	102.00	98.50
McKinnon Industries 6½% 1945		97.50	....	97.00
Mercury Mills 5½% 1953		59.00	....	59.00
Minn. & Ont. 6% Serial	F	18.00	21.00	16.00
Price Bros. 6% 1943	F	92.50	95.00	89.50
Provincial Paper 5½% 1947		94.00	96.25	93.50
Restigouche 6% 1948	F	66.00	69.00	63.00
Simpsons Ltd. 6% 1949		93.50	97.00	93.50
Steel of Canada 6% 1940		105.00	....	106.50
Stop & Shop 6% 1947		78.00	82.00	78.25
Toronto Carpet 6% 1944		90.00	....	90.25
United Corpns. 5% 1953	F	76.00	80.00	76.00
United Gas & Fuel 5½% 1948		75.00	....	75.00
United Grain Growers 5% 1948		74.00	77.50	75.00
United Grain Growers 5½% 1949		80.50	....	81.00
Wabasso Cotton 7% 1932		86.00	....	82.00

Public Utility Bonds—

		March 13 Bid	March 13 Asked	Mar. 6 Bid
Beauharnois Pwr. 5% 1973	F	53.00	54.00	
Beauharnois Pwr. 5½% 1973		95.50	96.50	....
Bell Telephone 5% 1955		106.00	108.00	105.00
B. C. Power 5½% 1960		101.00	102.50	99.50
B. C. Telephone 5% 1960		100.00	102.00	99.00
Calgary Power 5% 1960		94.00	97.00	91.50
Can. Northern Pwr. 5% 1953		93.00	96.00	90.50
Dom. Gas & Elect. 6½% 1945		57.00	59.00	....
Duke-Price Pwr. 6% 1966		96.00	98.00	91.50
French Natl. Mail SS 6/52		130.00	....	130.00
Gatineau Pwr. 6% 1941 A		88.50	91.00	85.25
Gatineau Pwr. 5% 1956		92.50	95.00	90.25
Maclaren Quebec 5½% 1961		95.50	97.00	92.50
Manitoba Power 5¼% 1951		50.00	53.00	51.25
Montreal LH&P 5% 1951		107.50	109.00	107.00
Montreal Tram. 5% 1941 July		100.00	102.00	98.75
Northwest. Utilities 7/38		95.00	98.00	96.00
Ottawa Valley Pwr. 5½% 1970		103.00	104.50	102.50
Quebec Power 5% 1968		94.00	97.00	93.25
Rio Tramways 5% 1935		102.75	104.25	102.50
Shawinigan W. & P. 5% 1970		96.00	98.00	94.50
Shawinigan W. & P. 6% 1937		100.50	102.50	100.25
Southern Can. Pwr. 5% 1955		100.00	101.75	100.25
West Kootenay Pwr. 5% 1956		102.00	104.00	101.75

Realty Bonds—

		March 13 Bid	March 13 Asked	Mar. 6 Bid
[illegible] Bay 6½% 1942		56.00	....	58.00
Balfour Bldg. 6% 1943		42.00	....	43.00
Bay St. George 7% 1946	F	38.00	....	38.00
Clarendon Apts. 7% 1946	F	28.50	....	28.00
Clarendon Properties 7/44	F	30.50	....	30.00
Dominion Square 6% 1948	F	54.50	....	54.00
Eaton Realty 5% 1949		92.75	94.00	72.50
[illegible] Realty 5% 1949	F	35.25	37.00	35.00
General Brock Hotel 6/48	F	31.00	33.00	30.00
London Realty 6¼% 1950	F	64.00	66.00	64.00
Lord Nelson Hotel 4% 1947		55.00	58.00	53.00
[illegible] Bldg. 6½% 1942		38.00	....	35.00
Metropolitan Bldg. 7% 1944		94.50	....	95.50
National Realty 7% 1945		27.00	30.00	24.00
Northern Ont. Bldg. 6½% 1939		88.00	....	82.00
[illegible] Bldg. 6½% 1943	F	39.50	41.00	40.00
Richmond Bay 6½% 1947		73.50	76.00	73.00
York Bldg. 6% 1943		71.00	....	73.00

Government, Provincial & Railway—

	March 13 Bid	March 13 Asked	Mar. 6 Bid
C. N. R. 4½% 1957 Dom. Gtd.	103.25	104.00	102.50
C. N. R. 5% 1969 Dom. Gtd.	109.50	110.00	108.50
C. P. R. 4½% 1944	90.00	91.00	87.00
C. P. R. 6% 1942	110.50	112.00	107.25
Dom. of Can. 5% 1936	104.25	104.75	104.00
Dom. of Can. 5% 1941	106.50	107.00	105.00
G. T. P. 3% 1962 Dom. Gtd.	89.50	91.00	87.50
G. T. P. 4% 1962 Dom. Gtd.	99.00	100.50	98.00
Ont. Hydro 3½% 1952 Ont. Gtd.	96.00	97.00	95.00
Ont. Hydro 4% 1957 Ont. Gtd.	96.50	98.00	95.50
Prov. of N. B. 5½% 1950	107.00	....	106.50
Prov. of Ont. 5½% 1946	110.00	111.00	109.00
Prov. of Ont. 4½% 1944	104.25	105.00	103.25
Prov. of Ont. 5% 1948	107.00	107.75	106.25

F—Traded without accrued interest.

Unlisted Canadian Stocks

(Furnished by A. J. Pattison, Jr. & Co., Limited)
Investment Bankers, Toronto.
March 13, 1934

Industrial Stocks:	Bid	Asked
Acadia Sugar c.	2.05	2.50
Acadia Sugar pfd.	4.15	4.50
Agnew Surp. pfd.	82.00	87.00
Allens London pfd. bonus c.	37.00	....
Allens St. Cath. pfd. bonus c.	36.50	....
Allens Toronto pfd. bonus c.	21.00	
Andian National	28.75	29.50
Atlan. Sugar pfd.	82.50	86.00
B. C. P. & P. pfd.	9.50	....
Burns pfd. bon. c.	5.50	7.50
Can. Dom. Sugar	44.00	46.00
Can. Machinery c.	2.25	3.00
Can. Mach. pfd.	15.00	20.00
Canada Packers c.	41.00	43.00
Can. Packers pfd.	102.00	104.00
Can. Starch c.	8.00	....
Can. Starch pfd.	79.00	....
Can. Indust. A	151.50	....
Can. Indust. B	149.50	153.50
Can. Indust. pfd.	132.50	135.00
Can. Westing'se.	46.00	48.00
Can. W. & Cable pfd. WW	80.50	83.00
Chase, pfd. bon. c.	18.75	22.00
Claude Neon Gen. Adv. Units	4.00	7.00
Copeland Fl. Units	4.25	7.00
Dom. F. & Steel c.	9.00	....
Dom. F. & Steel pfd.	57.50	....
Dom. Manufac. pfd.	66.50	....
Dom. Woollens	2.50	3.50
Dunlop Tire pfd.	66.00	....
East. Dairies pfd.	12.50	15.00
Easy Washing pfd.	12.00	14.00
Federal Grain pfd.	17.50	....
For. Power Sec. pfd.	12.00	15.00
Gen. Steel pfd.	27.00	29.00
Goderich Elev. & Transit	7.50	9.00
Green. Wire pfd.	63.00	....
Guelph Carpet pfd.	78.00	82.00
Guelph Carpet c.	10.25	12.50
Ham. Un. Theat. pfd.	47.50	52.50
Harding Carpets Units	16.75	21.00
Hayes Wheels pfd.	9.50	....
Highland Dairy	63.00	66.00
Inter City Bak. c.	14.00	17.00
Inter. Paints pfd.	13.00	16.00
Inter. Propriet. A	32.50	33.50
Loew's London pfd.	3.25	4.00
Loew's Toronto p.	61.25	65.00
Mansfield Th. pfd.	28.50	....
Nat. Grocers pfd.	102.25	....
Nat Groc. c.	4.25	5.25
New Meth. Laun. pfd.	35.50	....
Para. Kitchener p.	36.50	....
Para. Oshawa pfd.	41.00	....
Prov. Paper pfd.	80.00	83.00
Reliance Grain pfd.	60.00	....
Rob. Cons. Cone ex-div.	8.00	10.00
Rolland Paper pfd. WW	67.50	....
Ruddy, E. L., pfd.	12.25	....
Serv. Stat. A pfd.	51.00	....
Standard Clay c.	....	15.00
Stand. Fuel 6 pfd. bonus	84.50	....
Supersilk pfd. bon.	41.00	....
Supertest Pet. B pfd.	22.50	26.00
Thayers pfd.	25.50	29.00
Traders Fin. A pf.	38.00	....
Massey-Harris pfd.	23.25	25.00
United Corpns. A	10.00	12.00
United Corpns. B	3.35	5.00
West. Grain pfd. bonus	8.00	11.00
Willards choc. pf.	13.00	13.00

Insurance Stocks:	Bid	Asked
Wood, Alex. & J. pfd.	19.50	25.00
Zimmerknit c.	5.25	....
Zimmerknit pfd.	43.00	....
Brit. Amer. Assce.	22.00	27.00
Canada Life	427.00	440.00
Can. Fire Ins.	55.00	59.00
Comm. Life 20% pd.	8.50	....
Confed. Life 20% pd.	122.50	126.50
Cont. Life 20% pd.	35.00	45.00
Crown Life Ins.	100.00%	....
Dom. Fire Ins.	86.00	....
Dom. Life 50% pd.	167.00	....
Do. of Can. Gen. Ins.	105.00	115.00
Excel. Life 30% pd.	74.50	80.00
Fed. Fire 25% pd.	35.50	....
Great West Life	322.00	....
Guar. of N. A. fully paid	200.50	225.00
Guar. of N. A. 20% paid	40.50	....
Imperial Life	282.00	....
Manufac. Life In.	221.50	235.00
Monarch Life 10% pd.	17.00	20.50
Nat. Life 25% pd.	59.00	....
Sov. Life 25% pd.	16.50	20.00
Sun Life	485.00	505.00
Western Assur. c.	19.50	....
West. Life 20% pd.	9.00	12.50
Trust & Loan Stocks:		
Br. Mtge. & Tr.	135.50	150.00
Chartered Trust	65.00	....
Eastern Trust	141.50	....
Grey & Bruce Tr.	25.50	....
London & West. Tr.	42.50	....
Premier Trust	83.50	....
Sec. Loan & Sav.	101.00	....
Sterling Trust	....	35.00
Trusts & Guar.	37.00	41.00
Vic. Tr. & Sav.	130.00	140.00
Waterloo Tr. & Sa.	85.00	95.00
Investment Trust Shares:		
Can. Gen. Invest.	5.65	6.00
Can. Int. Inv. Tr. Units	19.50	....
Can. Invest. Fund	3.40	3.65
Can. Investors	6.15	....
Cons. Div. Stand. Sec. pfd.	11.25	....
Deb. & Sec. pfd.	31.00	....
Dom. & Anglo In. Units	190.00	....
Dom. Scot. In. Un.	17.50	....
Invest. Found. Un.	35.00	....
Sec. Holding pfd.	8.00	....
Power Issues:		
Calgary P. pfd.	83.00	86.00
Can. L. & P. com.	29.00	31.00
Can. W. N. Gas L. H. & P. pfd.	85.00	89.00
Gr. Lakes P. pfd.	40.00	....
N. S. L. & P. c.	26.00	....
N. S. L. & P. pfd.	76.00	....
Maritime Tel & Tel. pfd.	12.00	13.00
N. B. Telephone c.	9.00	10.25

Recent London Quotations:

Brew. & Distillers	10s. 6d.
Can. & For. Secs.	5s. 6d.
Can. West. Lumber	1s. 9d.
Hudson's Bay	26s. 9d.
Do. 5% pref.	97s. 6d.
Internat. Holdings	82¼
Nfld. Pr. & Pap. deb. stock B 5½%	100¼
Tor. Sub'an 4½% deb. stk.	29

Dividends Declared

	Present Annual rate	Amt. this payment	Date payable	Date of record
Agnew Surpass, pref.	7%	1¾%	Apr. 2	Mar. 15
Assoc. Breweries, pfd.	$7	$1.75	Apr. 1	Mar. 15
Brantford Cordage, 1st pfd.	$2	50c	Apr. 15	Mar. 20
Bell Telephone	6%	1½%	Apr. 16	Mar. 23
Brit. Amer. Assurance, c.	$1.50	75c	Apr. 16	Mar. 24
Bruck Silk Mills	$1	25c	Apr. 16	Mar. 15
Building Products A & B	$1	25c	Apr. 2	Mar. 15
Brazilian Tr., pref.	6%	1½%	Apr. 3	Mar. 15
Bralorne Mines	...	†12½c	Apr. 16	Mar. 31
Brit. Amer. Oil	80c	20c	Apr. 2	Mar. 15
B. C. Power A	$1.50	38c	Apr. 16	Mar. 31
Burt, F. N.	$2	50c	Apr. 2	Mar. 16
Do., pref.	$7	$1.75	Apr. 2	Mar. 15
Bk. of Nova Scotia	$12	$3	Apr. 3	Mar. 16
Can. Celanese, pref.	$7	$1.75	Mar. 31	Mar. 16
Do., on arrears	....	75c	Mar. 31	Mar. 16
Central Can. Loan	8%	2%	Apr. 2	Mar. 15
Consumers' Gas	10%	2½%	Apr. 2	Mar. 15
Canada Northern Power, c.	$1	25c	Apr. 25	Mar. 31
Do., pref.	7%	1¾%	Apr. 16	Mar. 31
Canadian Oil, pfd.	$8	$2	Apr. 1	Mar. 20
Can. Cottons, com.	$4	$1	Apr. 4	Mar. 16
Do., pref.	6%	1½%	Apr. 4	Mar. 16
Can. Permanent Mortgage	$8	$2	Apr. 3	Mar. 15
Can. Gen. Electric (No. 117)	$3	75c	Apr. 2	Mar. 15
Do., pref.	7%	1¾%	Apr. 2	Mar. 15
Can. Iron Foundries, pfd.	$3	$1.50	Apr. 30	Apr. 15
Can. For. Invest., pfd.	$8	$2	Apr. 1	Mar. 15
Do., com.	..	25c	Apr. 1	Mar. 15
Can. Wire Box, A	$1.50	37½c	Apr. 1	Mar. 15
Calgary Power, c.	$6	$1.50	Apr. 2	Mar. 15
Cons. Bakeries, c.	...	25c	Apr. 3	Mar. 15
Canadian Canners, 1st pfd.	$6	$1.50	Apr. 2	Mar. 15
Do., 2nd pref.	30c	7½c	Apr. 2	Mar. 15
Dominion Glass	$5	$1.25	Apr. 3	Mar. 15
Do., pref.	7%	1¾%	Apr. 3	Mar. 15
Dom. Textile	$4	$1	Apr. 2	Mar. 15
Do., pref.	$7	$1.75	Apr. 16	Mar. 31
Dominion Bank	$10	$2.50	Apr. 3	Mar. 20
Dominion Bridge	$2	50c	May 15	Apr. 20
Dominion Stores	$1.20	30c	Apr. 2	Mar. 15
Dome Mines	$1	25c	Apr. 20	Mar. 31
Do., extra	..	25c	Apr. 20	Mar. 31
Fanny Farmer, c.	$1	25c	Apr. 2	Mar. 15
Do., extra	..	25c	Apr. 2	Mar. 15
Do., pref.	$2.40	60c	Apr. 2	Mar. 15
Falconbridge Nickel	...	5c	Mar. 30	Mar. 15
Gachin Gold Synd. units	60c	15c	Mar. 31	Feb. 28
Do., extra	...	10c	Mar. 31	Feb. 28
Goodyear Tire	$5	$1.25	Apr. 2	Mar. 15
Do., pref.	$7	$1.75	Apr. 2	Mar. 15
Gurd, Chas., pref.	$7	$1.75	Apr. 1	Mar. 15
Huron & Erie Mtge.	$6	$1.50	Apr. 3	Mar. 15
Hamilton United Theat. pfd.	$7	$1.75	Mar. 31	Feb. 28
Hollinger Gold	65c	5c	Mar. 26	Mar. 9
Do., extra	....	15c	Mar. 26	Mar. 9
Inter. Hydro-Elec. pref.	$3.50	87½c	Apr. 16	Mar. 26
Inter. Nickel, pref.	7%	1¾%	May 1	Apr. 3
International Nickel, c.	...	10c	Mar. 31	Mar. 1
Imperial Tobacco	35c	8¾c	Mar. 31	Mar. 7
Do., final	...	17½c	Mar. 31	Mar. 7
Do., pref.	6%	3%	Mar. 31	Mar. 7
Landed Banking & Loan	6%	1½%	Apr. 3	Mar. 15
Mitchell, J. S., pref.	$7	$1.75	Apr. 3	Mar. 16
Monarch Knitting, pref.	...	‡$1	Apr. 2	Mar. 15
Montreal C. & D. Bk.	$12	$3	Apr. 3	Mar. 15
Moore Corp. "A" pfd.	7%	1¾%	Apr. 2	Mar. 15
Do., "B" pfd.	7%	1¾%	Apr. 2	Mar. 15
New England Pr., pref.	$6	$1.50	Apr. 2	Mar. 10
Do., pref.	$2	50c	Apr. 2	Mar. 10
Northern Ontario Power	$2	50c	Apr. 25	Mar. 31
Do., pref.	6%	1½%	Apr. 25	Mar. 31
National Breweries	$1.60	40c	Apr. 2	Mar. 15
Do., pref.	$1.75	44c	Apr. 2	Mar. 15
Niag. Wire Weav., pref	...	‡$1.50	Apr. 2	Mar. 19
Ottawa L. H. & Pr.	$6	$1.50	Apr. 2	Mar. 15
Do., pref.	$6.50	$1.62½	Apr. 2	Mar. 15
Ottawa Traction	..	50c	Apr. 2	Mar. 15
Page Hersey Tubes, pref.	$7	$1.75	Apr. 2	Mar. 20
Ontario Loan & Deb.	$6	$1.50	Apr. 3	Mar. 15
Do., com.	$3	75c	Apr. 2	Mar. 20
Penmans	$3	75c	May 15	May 5
Do., pref.	$6	$1.50	May 1	Apr. 21
Premier Gold	12c	3c	Apr. 16	Mar. 16
Perfect Circle	..	50c	Apr. 1	Mar. 20
Pioneer Gold Mines, B.C.	60c	15c	Apr. 2	Mar. 3
Porto Rico Power, pfd.	7%	1¾%	Apr. 2	Mar. 15
Riverside Silk "A"	$1	25c	Apr. 2	Mar. 15
Do., on arrears	...	25c	Apr. 2	Mar. 15
Standard Fuel pfd.	6½%	1⅝%	Apr. 1	Mar. 15
Southern Can. Power, pfd.	6%	1½%	Apr. 16	Mar. 29
Sylvanite Gold, c.	10c	2½c	Mar. 31	Mar. 1
Do., bonus	..	2½c	Mar. 31	Mar. 1
Siscoe Gold Mines	12c	3c	Mar. 31	Mar. 8
Do., bonus	...	2c	Mar. 31	Mar. 8
Supertest Pete, A pfd.	$7	$1.75	Apr. 2	Mar. 15
Do., B pfd.	$1.50	37½c	Apr. 2	Mar. 15
Do., ord. and cum.	$1	25c	Apr. 2	Mar. 15
Toronto Mortgage	$6	$1.50	Apr. 2	Mar. 15
Western Grocers, pref.	$7	$1.75	Apr. 15	Mar. 20
Whittall Can, pref.	$6.50	$1.62½	Apr. 2	Mar. 15
Western Assurance, c.	$1.20	60c	Apr. 3	Mar. 24
Weston, Geo., c. (new)	$1	25c	Apr. 2	Mar. 20
West Kootenay Power, pfd.	$7	$1.75	Apr. 2	Mar. 22
Wright Hargreaves	40c	10c	Apr. 2	Mar. 14

†Initial. ‡On arrears.

Dividends Resumed—
Consolidated Bakeries, c. 25c. Apr. 3. Last payment 12½c. July 2, 1932.
Ottawa Traction, 50c. Apr. 2. Last payment $1 Jan. 1, 1928.

Dividend Rate Increased—
Canadian Canners, 2nd pref. Apr. 2. 20c. to 30c. per annum.
Goodyear Tire, c. Apr. 2. $4 to $5 per annum.

Active Provincial and Municipal Bonds

Quotations furnished by A. E. Ames & Co., Canada Permanent Building, Toronto, Ont.
March 13, 1934

	Rate	Actual Maturity	Next Int. Date	Price	Yield
*Alberta	4½	1 Oct., 1958	1 Apr.	89.50	5.26
Alberta	5	1 July, 1943	1 July	96.00	5.55
Alberta	6	1 Mar., 1947	1 Sept.	101.50	5.83
*British Columbia	4½	1 Oct., 1953	1 Apr.	88.50	5.45
*British Columbia	5	15 Jan., 1948	15 July	94.00	5.62
British Columbia	6	15 Feb., 1947	15 Aug.	102.00	5.78
Manitoba	4	1 July, 1947	1 July	84.00	5.78
*Manitoba	5	2 Dec., 1959	2 June	95.00	5.36
Manitoba	6	1 Apr., 1947	1 Apr.	102.00	5.78
*New Brunswick	4	1 June, 1948	1 June	94.00	4.57
*New Brunswick	4¾	15 June, 1936	15 June	101.00	4.30
New Brunswick	5½	15 May, 1950	15 May	107.50	4.83
*Nova Scotia	4½	15 Nov., 1948	15 May	101.50	4.36
Nova Scotia	5	1 May, 1943	1 May	104.50	4.42
*Ontario	4½	1 Sept., 1944	1 Sept.	105.25	3.88
Ontario	5	15 Oct., 1948	15 Apr.	107.50	4.32
Ontario	5½	1 Feb., 1947	1 Aug.	110.75	4.40
P. E. I.	4	1 Apr., 1939	1 Apr.	99.00	4.22
P. E. I.	6	1 May, 1947	1 May	112.50	4.73
*Quebec	4¼	1 May, 1961	1 May	101.50	4.16
*Saskatchewan	4½	1 Sept., 1955	1 Sept.	86.00	5.63
*Saskatchewan	5	1 Nov., 1959	1 May	92.00	5.58
Saskatchewan	6	15 Mar., 1952	15 Mar.	100.00	6.00
Cities					
*Montreal	5	1 Sept., 1963	1 Sept.	101.50	4.90
*Toronto	4½	1 Jan., 1955	1 July	101.50	4.39
*Vancouver	5	15 Jan., 1970	15 July	92.50	5.48
*Winnipeg	5	1 Mar., 1944	1 Sept.	95.00	5.65
*Edmonton	5½	1 Apr., 1947	1 Apr.	92.50	6.33
Calgary	5	1 Jan., 1943	1 July	92.00	6.17
Halifax	6	1 July, 1951	1 July	114.00	4.80
Saint John	5	15 Dec., 1950	15 June	103.00	4.74
Regina	4½	1 July, 1950	1 July	82.00	6.27
Victoria	5	21 July, 1945	21 July	96.00	5.47
Quebec	5	1 June, 1948	1 June	103.50	4.67

*Payable in New York.

Winnipeg Stock Exchange

(Transactions for week to March 10)

	Sales	High for week	Low for week	Close Mar. 10
Can. Amer. Tr. shs.	50	.03	.03	.03
El Bonanza	250	.28	.26	.26
Gabrielle	12,800	.43	.38	.39
Island Lake	10,100	.04½	.04	.04
Great-West Life	5	320	320	320
Gunnar Gold	2,000	.96	.96	.96
Little Long Lac	100	1.87	1.87	1.87
Manitoba & Eastern	26,590	.25	.19¼	.24
Smelters Gold	3,050	.30½	.29	.29
Pickle Crow	9,800	.67	.63	.67
Toburn	500	1.37	1.10	1.37
United Grain Gr.	6	10	10	10
Western Breweries	110	1.00	1.00	1.00

Stocks Not Traded in During Week*

	Bid	Ask
[illegible]	..	100
Beaver Lumber c.	8½	3½
Do.	..	63
Can. Fire Insur.	55	..
Gt.-West Life	315	..
Home Investment	20	..
Monarch Life	17	..
Northern Trust	10	..

	Bid	Ask
Pelissiers, com.	.40	.50
Traders Bldg. Assn.	65	..
Sovereign Life	15½	16
Can. Invest. Fund	..	3.60
Fundamental Ser. A	..	4½
Fundamental Ser. B	..	4
Grouped Inc. Shs.	..	4.60

*Stocks more active on other exchanges not included.

Dominion of Canada Bonds

Quotations furnished by A. E. Ames & Co., Canada Permanent Building, Toronto, Ont.
March 14, 1934

	Rate	Maturity	Asked	Approx. Yield
*†Dominion	5	1 Mar., 1937	107.25	2.48
†Dominion	5½	1 Dec., 1937	109.75	2.87
Dominion	5½	1 Nov., 1934	101.60	3.05
Dominion	4	15 Oct., 1935	101.00	2.85
Dominion	5	15 Oct., 1935	101.73	2.86
Dominion	4	15 Nov., 1936	104.75	3.12
Dominion	4½	15 Oct., 1939	101.75	3.65
Dominion	5	1 Sept., 1940	104.25	3.77
Dominion	5	15 Nov., 1941	107.25	3.90
Dominion	4½	15 Oct., 1943	108.00	3.99
Dominion	4	15 Oct., 1944	104.00	4.05
Dominion	4½	15 Oct., 1943-45	100.50	3.94
Dominion	4	1 Feb., 1946	103.75	4.10
Dominion	4½	15 Oct., 1947-52	100.25	3.97
Dominion	4½	1 Nov. 1946-56	103.25	4.18
Dominion	4½	1 Nov. 1947-57	103.25	4.19
Dominion	4½	1 Nov., 1948-58	103.50	4.18
Dominion	4½	1 Nov., 1949-59 with talons	104.00	4.21
Dominion Guaranteed Bonds				
xCan. Nat. Ry.	4½	1 Sept., 1951	106.25	4.00
*Can. Nat. Ry.	4½	1 July., 1957	104.50	4.19
Can. Nat. Ry.	5	1 Feb., 1954	108.75	4.34
xCan. Nat. Ry.	4¾	15 June, 1955	108.50	4.15
xCan. Nat. Ry.	4½	1 Feb., 1956	106.25	4.06
xCan. Nat. Ry.	4½	1 Dec., 1968	105.25	4.21
xCan. Nat. Ry.	5	1 Oct., 1969	111.00	4.24

†Tax exempt issues. *Payable in Canada and New York. xPayable in Canada, New York, and London.

SISCOE EARNINGS 19 CENTS A SHARE FOR FISCAL YEAR

Ore Reserves Increase — Costs Are Down—Outlook Bright

Annual report of Siscoe Gold Mines for the fiscal year ended December 31, 1933, was the most prosperous in its five years history as the pioneer gold producer in Northwestern Quebec. Net profits, after all write-offs and reserves, were $874,451, equivalent to 19 cents per share on the 4,610,065 shares outstanding as against dividend requirements of 14 cents per share and as compared with a net profit of $559,918 or 12 cents per share in 1932.

The following tabulation gives comparative income and surplus account figures for the past two years:

Income and Surplus Account
Years Ended December 31

	1933 $	1932 $
Production	1,132,929	1,006,297
Less: Development	116,733	62,236
New shaft	14,767	37,271
Diamond drill	......	32,731
Bureau of Mines	......	4,545
Mining	219,834	159,541
Milling	121,221	96,876
Bullion—exp.	5,207	4,698
Camp mainten.	10,959	23,171
Insur. and taxes	6,956	6,569
General mine exp.	43,642	27,222
Admin. & gen. exp.	45,386	26,361
Transfer fees	10,753	5,244
Res. for taxes	104,990	63,528
Net oper. earn.	432,481	456,304
Add: Other income:		
Interest	16,404	19,127
Cash discounts	615	561
Exchange comp.	488,558	129,634
Miscel. inc.	9,469	27,423
	944,527	633,049
Less: Deprec.	70,076	53,131
Res. for silicosis	......	20,000
Net profit	874,451	559,918
Less appropriations:		
Dividends	644,545	500,620
Surplus for year	229,906	59,298
Add: Prev. surplus	376,852	320,906
Res. for silicosis	20,000	......
Less: Addit. inc. tax	3,415	3,352
Balance forward	623,343	376,852
Earnings per Share & Dividend Record:		
Earned	$0.19	$0.12
Paid	$0.14	0.11
No. Shs. Outstanding*	4,610,065	4,580,065

*Not including unsold shares issued as fully paid, and held in the treasury.

Treating a lower grade ore, owing to the present higher value of gold and increasing the tonnage, augmented the company's production to record levels.

The following tabulation gives a summary of production in previous years:

Production Summary

Year	Tons milled	Daily aver.	Recov. per ton	Bullion value
1929*	29,836	83	$10.30	$ 307,404
1930	33,744	94	10.88	367,266
1931	55,675	150	13.35	742,812
1932	63,998	175	15.62	1,006,297
1933	96,348	264	11.75	1,132,929
				$3,556,708

*Production commenced Jan. 4.

Note—Exclusive of exchange compensation.

During the year 13,295 ft. of lineal development was completed of which 40 per cent was in profitable vein material as compared with 7,991 ft. in the previous year of which 62 per cent was in profitable vein material. As a result of the work, the ore reserves were increased to 38,623 tons, notwithstanding the increased production during the year. In view of the capital outlay it is not deemed desirable, having consideration for the magnitude of the operations, to further augment the broken ore reserves.

During the year Dr. W. S. James and Dr. J. E. Gill, geologists, reported on the property and C. O. Stee, mine manager, reports that from the information available it is believed that a large tonnage of ore will be developed below the present 1,000-ft. horizon. Plans for the ensuing year call for deepening the main shaft to the 1,350-ft. level and opening up the main vein system.

The balance sheet as at December 31, 1933, records a change of 30,000 shares issued but unsold in the company's treasury, indicating that provision has been made for any contingency arising out of the legal action respecting shares now in suit.

The annual meeting of the company is called for March 28 in Montreal and promises to stage a battle for proxy. A committee known as the shareholders' protective committee has circularized shareholders requesting that proxies be given in favor of J. T. Tebbutt, presiding president of the company, cross off the name of W. A. Fensom whose name also appears on the official proxy and substitute H. A. Kee, a well-known Ontario mining engineer, who could better represent the Ontario shareholders of the company.

Liquid assets continue to rise. The following tabulation gives comparative figures for the past two years:

Working Capital

	1933 $	1932 $
Current assets	822,344	475,702
Current liabilities	118,348	90,173
Working capital	703,996	385,529
Ratio	6.95—1	5.27—1

KIRKLAND LAKE REPORT MOOTS DEEP ORE GOOD

Profits $141,720 With Best Liquid Position Yet

Annual report of the Kirkland Lake Gold Mining Co. for the fiscal year ended December 31, 1933, shows the company in the best liquid position in its history, with gross value of production and earnings second only to the highest in its 15 years' history as a producer in the Kirkland Lake area and with net profits after all reserves of $141,720 or 2.7 cents per share on the 5,369,123 shares outstanding. This compares with a net profit of $137,214 in the previous year.

The following income and surplus account gives comparative figures for the past two years:

Income and Surplus Account
Years Ended December 31

	1933 $	1932 $
Production	521,410	592,451
Less: Oper. exps.	336,224	409,982
Taxes	15,235	13,070
Adminis.	20,443	20,578
Net earnings	149,508	148,821
Non-oper. income:		
Rent, int. divds., etc.	13,749	14,510
Prof. on sale of secs.	5,393	......
Total net earnings	168,650	163,331
Less write-offs:		
Depreciation	26,930	26,117
Net profit†	141,720	137,214
Add: Prev. surplus	185,955	48,741
Balance forward	327,675	185,955
†Before income tax.		
Earnings per Share	$0.027	$0.026
No dividends paid.		
Shares outstanding	5,239,123	5,239,123

Ore Position Better

In addition to the income shown there was a recovery of $2,637 from the ore mined from the adjoining Grozelle-Kirkland Gold Mines, a subsidiary of Kirkland Lake Gold Mining Co. Development and operating costs showed a decline from previous years, but the ore developed and the indicated ore reserves are greater than at the end of the previous year. The total operating costs, including depreciation and taxes amounted to $8.19 per ton milled as compared with $8.32 in the previous year.

The following tabulation gives comparative summary of operations since inception of production:

Summary of Production

Year	Tons treated	Total Recovery $*	Rec. per Ton $
1919	11,324	56,263	4.97
1920	40,812	286,901	7.03
1921	43,966	242,417	5.51
1922	37,489	224,396	5.99
1923	45,449	223,102	4.90
1924	8,091	46,513	5.75
1925	Nil		
1926	10,829	126,999	11.75
1927	52,648	473,678	9.00
1928	57,883	414,596	7.16
1929	58,595	352,789	5.58
1930	52,106	533,851	10.24
1931	52,628	615,883	11.70
1932	56,492	592,451	10.46
1933	48,705	521,410	10.70
		4,721,244	

*Exclusive of exchange compensation.

W. M. Sixt, manager of the company, reported that the main ore development was on the 5,450-ft. level, which has shown a good width, good grade and a fair length, and at the year end work was in progress to determine its extent. Diamond drilling below the 5,450-ft. level cut ore at a depth of 5,650 ft. and plans now call for sinking the No. 2 winze below this horizon. It is understood from officials that the ore on this bottom level is the best yet encountered in the mine and is the only level developed that has been entirely in the porphyry zone.

The market value of the listed shares held is in excess of the cost price shown at $328,041, which brings the total liquid assets of the company to $729,063 as compared with $569,021 on December 31, 1932.

At the Mines

Bulolo Gold Dredging—The estimated working profit for February is 4,007 oz., which with gold valued at $35 an oz., gave a return of $140,245 in Canadian funds.

Total production for the month from three dredges was 5,814 oz. of fine gold from 635,500 cu. yds., which included 74,000 yds. of the tailings handled by the No. 1 Dredge to test their value.

Dredges Nos. 1 and 2 were temporarily turned into lower valued ground on the eastern margin of the pay gravel and so away from the deeper gravels.

Construction of No. 4 dredge and the new 4,000-h.p. hydro-electric plant is proceeding. The former will probably be in operation during July, while the latter should be operating about November.

* * *

Bridge River Associated Mines — Consolidated Smelters has taken over the development of the company's Pine group of claims adjoining the B. R. X. Mines in the Bridge River area of B. C.

* * *

Canadian Kirkland Mines — Shareholders approved of an increase in the capitalization from 3,000,000 to 4,500,000 shares and the optioning of 1,500,000 new shares to W. J. Beckett & Co., Toronto, as follows: 700,000 shares at 10 cents each; 200,000 shares at 15 cents; 100,000 shares at 20 cents and 500,000 shares at 30 cents.

* * *

Capital Rouyn Gold Mines—An option has been taken on a property near Horwood Lake, Swayze area, Ont. Exploration is to start early this spring.

* * *

Dentonia Mines — The second carload of ore to the Trail smelter yielded .775 oz. gold and 5 oz. silver to the ton. The mill on the property is rapidly nearing completion.

Greene-Stabell Mines — February production amounted to $21,000 with millheads averaging $10.76 per ton. Shares have been listed on the Montreal Curb Market.

* * *

McKenzie Red Lake Mines—Financial backing has been secured from the Mining Corp. of Canada and Lehman Corp. of New York, sufficient to carry it through to the production stage, according to official advice.

* * *

Maple Leaf Mines—An option has been taken on the LeRoy Mines in Louvicourt Township, Que. A new company is to be formed with a capitalization of 3,500,000 shares of which 2,500,000 will be under option to Maple Leaf. The shaft, presently at a depth of 269 ft., is to be dewatered at once and aggressive development started.

* * *

Ontabec Copper Corp.—This company, incorporated in 1927, is being resuscitated by the issue of supplementary letters patent, changing the name to Twin Bear Mines.

* * *

Pioneer Gold Mines — Estimated value of February production was $230,000 while operating expenses were $64,000 leaving a net operating profit of $166,000 before taxes and depletion—a new high record output giving consideration to the fact that February had only 28 days.

* * *

Read-Authier Mines — An interim report advises that Dome Mines has taken an option on the company's claims in Bourlamaque Township, immediately north of the Lamaque Gold Mines now under development by Teck-Hughes Gold Mines.

* * *

Smith Cobalt Co.—Plans are being completed for the resumption of operations at the company's property in Coleman Township, Ont. W. H. Smith, Cobalt, is president and A. K. Roberts, Toronto, secretary-treasurer. A. A. Amos has underwritten the stock to provide funds for exploration work.

* * *

Smelter Gold Mines — Kirkland-Hudson Bay Mines has thrown up its option agreement to finance the company, but the deal has been taken up by private Toronto interests, according to official information.

* * *

Centrecour Gold Mines—Has been formed with a capitalization of 3,000,000 shares to acquire the Boylen Syndicate property in Louvicourt Township, Que.

Mining Stock Quotations

Week Ending March 12.

Par Val.	Range 1934 High	Low	Company	Sales	Close Mar. 5 (or last)	High for week	Low for week	Close Mar.12
1	.06	.01	Aconda	41,050	.02¼	.02¼	.02	.02¼
No	.22	.13	Aldermac	33,848	.20	.20	.17	.17
1	.10	.02¾	Alexandria	84,550	.08	.08	.06½	.07½
No	.03½	.01¼	Algoma	30,500	.02½	.02½	.02½	.02½
1	.02¾	.00¾	Algonquin	......	.02	.....	.....	.....
1	.03	.01½	Amity Copper	37,600	.02½	.02¾	.02½	.02¾
No	3.80	2.00	Anglo-Huronian	3,247	3.50	3.80	3.15	3.80
1	.06½	.03	Area	9,000	.05	.05½	.04½	.05½
No	.20	.03½	Arno	17,600	.08	.08	.06	.06
1	1.25	.90	Ashley	101,905	1.20	1.25	1.14	1.18
1	.08	.04	Bagamac	30,500	.06½	.07	.06½	.06½
1	.01¾	.00¾	Baldwin	35,000	.01¾	.01½	.01	.01¾
1	.18	.12½	Barry Hollinger	169,785	.17	.18	.16	.16½
1	2.04	1.48	Base Metals	112,740	1.79	2.04	1.70	2.04
5	.91	.45	B. E. A. R.	140,585	.70	.77	.67	.77
1	.51	.32½	Big Missouri	35,965	.42	.45	.41	.43
1	.54	.23	Bobjo	320,925	.52	.52½	.45	.52
No	11.90	9.90	Bralorne	4,180	11.40	11.50	11.25	11.35
.	.90	.42½	Do., Rights	10,347	.46	.60	.42	.56
1	.16	.12	Brett Trethewey	48,410	.14	.15	.12	.13
50c	.80	.28½	Bridge River Ex.	13,225	.78	.80	.75	.77
1	.03	.01½	Brownlee	117,500	.02½	.02½	.02	.02
1	.01¾	.00¾	Buckingham	19,550	.01¾	.01¾	.01	.01
No	.14	.06½	Buffalo Can.	97,100	.12	.13½	.09	.12
5	30.75	23.50	Bulolo	1,460	29.00	29.75	29.00	29.50
No	.02½	.01½	Bunker Hill	217,375	.02	.02½	.01½	.02¼
5s	1.10	1.00	B'Wana McKubwa	100	1.10	1.00	1.00	1.00
No	.05	.02½	Canam Metals	8,500	.02½	.05	.04	.04
1	.12	.07½	Can. Kirkland	214,510	.11½	.12	.10	.11¼
No	.58	.38	Can. Malartic	16,600	.45	.50	.44½	.48
1	.02½	.00¾	Capital Rouyn	433,150	.02½	.02½	.01¾	.01¾
1	2.85	2.25	Cariboo Gold	3,600	2.40	2.75	2.39	2.50
1	.04½	.01	Cartier Malartic	58,300	.04	.04	.03½	.03¾
1	.81½	.49	Castle Trethewey	180,810	.71	.81½	.68	.80
1	.14½	.07	Cen. Manitoba	36,275	.09½	.09½	.09	.09
1	.79	.54	Cen. Patricia	254,000	.65	.79	.65	.75
No	.12½	.05½	Chibougamau Pros.	338,350	.11½	.12½	.10	.11¼
No	.15½	.09	Church. M. & Mill.	46,500	.11	.11½	.10	.11¼
No	.02¾	.01½	Clericy	47,000	.02	.02¾	.02	.02
1	.02	.01	Clifton Cons.	2,500	.02	.01¾	.01½	.01¾
5	5.55	4.00	Coast Copper	2,000	4.95	5.55	4.90	5.25
1	.06½	.04½	Cobalt Contact	112,900	.05½	.06½	.04½	.06
1	.82½	.55½	Columario	79,315	.80	.82½	.79	.82
5	2.45	1.35	Coniagas	10,466	2.05	2.45	1.80	2.35
No	1.60	.97	Coniaurum	59,107	1.48	1.60	1.40	1.50
25	167.00	132.00	Cons. Smelters	5,072	160.00	167.00	156.00	166.00
No	38.25	32.25	Dome Mines	13,230	37.50	38.35	36.00	37.75
No	.07½	.04	Dom. Explorers	88,700	.04½	.06	.04	.05½
1	.01½	.00¾	Dominion Kirk.	11,000	.01½	.01½	.01½	.01½
1	.02	.00¾	Don Rouyn	......	.00¾	.....	.....	.....
1	.02	.01	Duparquet	6,000	.01	.02	.02	.02
1	4.24	3.25	Eldorado	139,215	3.78	4.24	3.70	4.20
No	4.15	3.00	Falconbridge	49,780	3.50	4.15	3.50	4.00
1	.06	.01½	Federal	192,300	.04½	.06	.04½	.06
No	.04½	.02¼	Gilbec	170,000	.03½	.04½	.03½	.04¼
No	1.13	.70	God's Lake	47,711	1.10	1.11	.98	1.05
1	.16½	.08	Goldale	153,717	.15	.16½	.14	.14
10	.47	.16	Goldfield	11,900	.35	.41	.34	.39
1	.21	.11½	Goodfish	89,275	.20	.20½	.16½	.17
1	.14½	.02½	Graham Bosquet	455,950	.08½	.14½	.08½	.13
1	.80	.62	Granada Gold	44,893	.77	.79	.74	.77
1	.74½	.66	Greene Stabell	147,440	.....	.74½	.66	.74
1	.11	.05	Grozelle	11,099	.07	.11	.05½	.11
1	.40	.36	Grull Wihksne	1,000	.34	.40	.36	.37
1	.43¾	.30	Halcrow Swayze	105,595	.42½	.43¾	.41½	.43¾
1	.10¾	.03½	Harker	186,229	.10	.10¾	.09½	.10¾
1	.01½	.00¾	Hilltop	38,500	.01	.01½	.01	.01½
5	16.60	11.40	Hollinger	43,240	16.30	16.60	15.70	16.10
1	1.35	.93	Howey Gold	105,850	1.30	1.34	1.20	1.27
No	12.35	9.00	Hudson Bay	10,795	12.00	12.35	11.75	12.25
1	14.25	10.45	Inter. Mining	1,365	12.65	13.65	12.75	13.50
.	5.15	4.00	Do., Pur. Warr.	......	4.50	.....	.....	.....
No	28.00	21.15	Int. Nickel	175,085	24.35	28.00	24.30	27.30
1	.07	.02¾	Jackson Manion	319,000	.06½	.07	.06	.07
1	.02½	.00¾	Keora Mines	16,000	.02	.02½	.02	.02
1	.56	.45	Kirk. Hud. Bay	7,000	.48	.51	.45	.49
1	.02½	.00¾	Kirk. Hunton	491,900	.01½	.02½	.01¾	.02½
1	.61	.29	Kirkland Lake	712,293	.37	.61	.35½	.57
1	.05½	.01¾	Kirkland Premier	66,564	.04½	.05½	.04	.04
1	.31	.21	Kirk. Townsite	33,900	.29	.30½	.28	.29
20c	.02½	.01½	Koot. Florence	6,500	.02	.02	.01½	.01¾
1	.23	.11	Lakeland	72,300	.20	.22	.19	.21½
No	.11½	.07	Lake Maron	176,750	.09½	.10½	.09	.10½
1	49.00	42.00	Lake Shore	6,630	47.50	49.00	47.00	48.50
1	.18½	.08	Lebel Oro	120,100	.12½	.16	.13½	.15
No	.18	.12	Lee Gold	75,150	.16½	.18	.16	.17
1	2.50	1.85	Macassa	68,154	2.35	2.50	2.26	2.40
1	.04½	.01¾	Malrobic	207,400	.04	.04½	.03½	.04¾
No	.15	.06	Mandy	11,093	.15	.15	.12	.14
No	.04	.02	Manitoba Basin	94,700	.03½	.03½	.03	.03
1	.84	.79	Maple Leaf	94,355	.....	.84	.79	.80
5	45.00	39.25	McIntyre	15,186	43.50	45.00	42.50	44.60
1	.50	.50	McKinley	......	.50	.....	.....	.....
No	.03½	.01½	McLeod River	16,850	.02½	.03	.02½	.02¾
1	.57	.39	McMillan	91,250	.54	.57	.51	.57
No	.50	.25	McWatters	160,700	.44	.50	.43	.48
1	1.21	1.00	McVittie	98,092	1.17	1.20	1.13	1.16
5	1.50	1.50	Mentor Exp. & Dev.	......	1.50	.....	.....	.....
No	2.47	1.60	Mining Corp.	16,475	2.15	2.47	2.10	2.45
1	.06½	.02½	Moffatt Hall	429,100	.06½	.06½	.05	.05½
1	.20	.08½	Moneta	24,500	.17½	.17½	.13½	.13½
1	.05	.02½	Moss	......	.05	.....	.....	.....
1	.02½	.01½	Murphy	60,850	.02½	.02½	.02½	.02¼
No	.05½	.02	Newbec	34,100	.03½	.05	.03½	.04½
1	.06	.03	Night-Hawk Penn.	33,000	.05½	.05½	.04½	.05½
5	2.85	2.30	Nipissing	9,485	2.60	2.84	2.60	2.80
No	39.25	33.25	Noranda	37,986	38.10	39.25	37.00	38.85
No	.45	.29	Nor. Canada	92,200	.36	.45	.34	.42
1	.19	.11	Osisko	6,000	.16	.18	.15	.18
1	.65	.36	Parkhill	109,850	.64	.64	.62	.63½
1	.03	.01½	Pawnee Kirk.	61,600	.01½	.03	.01½	.03
1	.26½	.19	Paymaster	47,867	.24½	.26½	.23	.26
1	1.39	.75½	Pend Oreille	32,580	1.15	1.39	1.05	1.39
1	.05	.02½	Peterson Cobalt	24,100	.03½	.04½	.03	.04¾
1	12.75	10.75	Pioneer Gold B.C.	7,845	12.00	12.55	11.90	12.25
1	.04½	.01¾	Porcupine Crown	65,500	.02½	.04½	.02½	.04½
1	.02	.00¾	Potter Doal	45,100	.01	.01¾	.01	.01¾
1	1.75	1.02	Premier Gold	85,865	1.69	1.75	1.59	1.72
1	.03	.01½	Preston E. Dome	40,500	.01½	.03	.01¾	.03
No	.55	.30	Prospectors Air's.	2,600	.51	.55	.49	.49
No	.13½	.05	Quemont	2,520	.13½	.13½	.12	.13
1	.64	.27	Read Authier	105,282	.51	.64	.50	.63
1	1.29	.87	Reno	28,275	1.26	1.26	1.12	1.14
1	.01½	.00¾	Ribago	5,250	.01½	.01½	.01½	.01½
1	.02½	.01½	Ritchie	17,000	.02½	.02½	.02	.02½
1	.07½	.01½	Robb Montbray	319,540	.05	.07½	.04½	.07
1	3.00	1.75	San Antonio	121,055	2.75	3.00	2.75	3.00
1	1.25	.99	Sherritt Gordon	62,842	1.20	1.25	1.13	1.23
1	2.25	1.43	Siscoe	140,985	2.21	2.25	2.07	2.20
1	.05	.02½	South Keora	4,200	.04½	.04½	.04	.04
No	.26½	.10	South Tiblemont	77,950	.11	.14	.11	.12
No	.18½	.08½	Stadacona	122,560	.17½	.17½	.15	.16
1	.49	.31	St. Anthony	72,810	.45	.47	.42	.44
No	2.00	1.00	Sudbury Basin	43,074	1.65	2.00	1.60	1.91
1	.15	.07	Sudbury Contact	14,220	.14	.15	.13	.13½
1	.03½	.00¾	Sudbury Mines	49,000	.02½	.02½	.02½	.02½
No	.18	.18	Sudbury Nickel	......	.18	.....	.....	.....
1	.35	.25	Sullivan	51,885	.30	.34	.30½	.31½
1	2.79	1.29	Sylvanite	86,489	2.65	2.70	2.49	2.66
1	6.90	5.75	Teck Hughes	99,488	6.70	6.90	6.50	6.75
1	.49	.20	Thom. Cadillac	187,915	.49	.49	.43	.47
1	.40	.25	Towagmac	6,249	.40	.40	.35	.37
1	.85	.35	Treadwell	7,151	.65	.75	.55	.75
1	.20½	.18	United Kirkland	......	.20	.....	.....	.....
No	.02½	.01½	Vacuum Gas	9,000	.01½	.02	.01½	.02
No	1.12	.77	Ventures	151,345	1.03	1.12	.96	1.06
1	.03	.01½	Vickers	198,500	.02½	.03	.02½	.02¾
No	1.45	1.12	Waite Amulet	17,050	1.28	1.34	1.21	1.34
50c	.50	.40	Wayside	94,700	.45	.46	.41	.43
No	.42	.31½	White Eagle	291,025	.36	.42	.35	.41½
1	.07½	.03½	White Lake	3,000	.05½	.05½	.04½	.04¾
1	.14½	.07	Wiltsey Coughlan	41,700	.13½	.14½	.12	.12½
1	.17	.05	Wood Kirkland	89,300	.09	.17	.09½	.15
No	9.10	6.75	Wright-Hargreaves	95,496	8.60	9.10	8.30	8.90
			OIL STOCKS					
No	.30	.17	Acme Gas & Oil	117,825	.28	.29	.26	.29
1	.09	.09	Admiral	......	.09	.....	.....	.....
1	1.60	1.02	Ajax	23,850	1.44	1.48	1.28	1.32
1	.25	.15	Alta. Pacific	3,860	.18	.20	.17	.18½
1	.15½	.12	Amalgamated	5,200	.13	.13½	.12½	.13
1	.08	.04½	Anaconda	2,000	.05½	.06	.05	.05
No	.12	.06	Askalta	29,400	.10	.09	.08	.08½
No	.35	.20	Associated	3,200	.25	.28½	.25	.27
No	.13	.06½	Baltac	2,500	.08	.08½	.07	.07
No	1.27	.95	Calgary & Ed.	720	1.15	1.22	1.18	1.20
1	.15	.10½	Calmont	16,100	.12	.12½	.10½	.11
1	.12	.06	Common. Pete	4,000	.11	.12	.10	.12
No	.65	.50	Dalhousie	6,225	.59	.57	.56	.57
No	.08½	.04½	Devenish	1,860	.06	.08	.07	.07
No	.30	.21	East Crest	650	.25	.23	.21	.22
No	.25	.09	Erie Gas	9,800	.18	.25	.20	.21½
No	.01	.00¾	Fabyan Pete	56,000	.01	.01	.00¾	.00¾
No	.75	.40	Foothills	100	.50	.50	.40	.50
No	.16½	.10	Freehold	10,900	.12	.13	.12	.12
No	.13	.08	Hargal	800	.09	.09	.08½	.08½
No	.17	.15	High Sarcee	7,000	.15	.17	.15	.15½
No	1.90	1.56	Home	8,200	1.66	1.70	1.65	1.66
No	.05	.02	Homestead	......	.05	.....	.....	.....
1	.16½	.13	Homestead O. & G.	6,500	.14½	.15	.14	.15
No	.44	.20	Lowery	2,700	.35	.38	.35	.35
No	.05	.03½	Madison	17,000	.05	.04	.04	.04
No	.35	.14	Marjon Oil	14,400	.22	.22	.18½	.21
No	.05½	.04½	McD. Segur Ex.	......	.04½	.....	.....	.....
.	.04	.04	McD. Segur N.	200	.....	.04	.04	.04
1	.47	.35	McLeod	700	.43	.40	.37	.37
No	.22	.15	Mercury	21,325	.17	.18	.16	.17½
No	.42	.32	Merland	14,400	.34	.35	.32	.33
1	.41	.25	Midwal Oil	17,900	.35	.41	.33½	.41
No	.22	.16	Mill City Pete	2,300	.18	.18	.17	.17
1	.33	.25	Model	1,100	.28	.29½	.28	.29
5	.16	.09	Nordon	50,400	.11	.16	.10	.15
No	.09	.05	Oil Selections	25,700	.06½	.06½	.06	.06½
No	.16½	.06½	Okalta	9,100	.10½	.10½	.10	.10
100	29.00	20.00	Do., pref.	......	20.00	.....	.....	.....
No	.34	.21	Olga Gas & Oil	9,300	.23	.23	.22	.23
.	.17	.07	Pacalta Oil	4,200	.12	.13	.11	.11
1	1.10	.75	Petrol Oil & Gas	2,000	.90	.80	.80	.80
No.	19.55	17.25	Royalite	361	18.00	17.50	17.50	17.50
1	.10	.07½	Sarnia Oil	3,000	.08	.09	.08	.09
No	.17	.10	South West Pete.	......	.10	.....	.....	.....
1	.35	.23	Spooner	640	.35	.35	.35	.35
No	.70	.60	Sterling Pacific	3,500	.65½	.68	.65	.68
No	.11½	.07½	United	8,450	.09	.09	.09	.09
No	.25	.11	Vanalta	13,750	.22	.23½	.20	.21
1	.20	.18	Vulcan	1,250	.20	.18	.18	.18
1	.22	.18	Wellington Oil	500	.20	.18	.18	.18
No	.97	.75	Wainwright-West	15,750	.80	.81	.75	.75

VANCOUVER STOCK EXCHANGE
(Transaction for Week to March 6.)

Par Val.	Range 1934 High	Low	Company	Sales	Close Feb. 26 (or last)	High for week	Low for week	Close Mar. 6
1	.09½	.04½	Alexandria	76,300	.07	.08½	.06½	.08
25c	.03½	.01	Bayview	22,500	.03	.03	.02½	.02¼
20c	.08½	.05½	Beaver Silver	11,900	.07	.07	.06	.06
25c	.06½	.04	Big Slide	......	.04	.....	.....	.....
25c	.03	.02	Bluebird	14,000	.02½	.02½	.02½	.02½
1	1.35	.83	Bradian Warrants	14,242	1.20	1.20	1.10	1.17
.	2.30	2.10	Bradian Gold	24,639	2.25	2.25	2.10	2.20
No	11.65	9.85	Bralorne	4,818	11.00	11.45	10.70	11.45
1	.44	.20	Bridge River Cons.	29,950	.38	.38	.34	.36½
50c	.80	.28	Bridge River Exp.	63,201	.71	.79	.71	.77
.	.27	.25	B. R. Mountain	6,400	.27	.27	.25	.25
100	99.00	99.00	B. C. Electric, pfd.	......	99.00	.....	.....	.....
1	.92	.51½	B. C. Nickel	41,250	.75	.81	.75	.76
1	1.20	1.00	B. C. Silver	1,200	1.00	1.20	1.10	1.10
50c	.29	.20	Butte I. X. L.	24,900	.28	.29	.26	.28½
1	2.90	2.00	Cariboo Gold	11,500	2.38	2.40	2.27	2.35
No	10.00	8.75	Coast Breweries	442	9.25	9.25	9.00	9.00
.	.32	.21	Congress Gold	13,050	.26	.31	.26	.30
25c	.02	.01	Cork Province	......	.01½	.....	.....	.....
1	.04	.01½	Dalhousie Mines	41,000	.03	.03½	.02½	.03½
.	.08½	.06	Dawson Gold	......	.06	.....	.....	.....
No	.64	.25	Dentonia	37,075	.56	.63	.55	.63
1	.45	.28	Dunwell	10,210	.38	.37	.35	.35
.	.30	.28	Fairview Amal.	79,500	.....	.30	.28	.28
.	.11½	.07½	Federal Gold	29,900	.....	.11½	.07½	.11½
1	.42	.31	George Copper	600	.42	.42	.40	.40
50c	.02½	.02	Geo. Enterprise	......	.02	.....	.....	.....
1	.04½	.02½	Georgia River	86,000	.03½	.04½	.03	.04½
50c	.08	.01	Glacier Creek	7,200	.07	.07	.06½	.07
1	.63	.45	Golconda	22,800	.51	.58	.51	.54
50c	.50	.27	Gold Belt	8,225	.46	.45	.41	.41
No	.33	.16	Grange Mines	34,934	.25	.33	.25	.32
.	.46	.41	Gold Mountain	1,500	.41½	.46	.40	.46
50c	.06	.04	Grandview	21,500	.05	.05	.04½	.04½
1	.40	.28	Grull Wihksne	38,050	.32	.40	.31	.38
1	.07	.05	Hercules Cons.	132,800	.06	.06½	.05½	.06½
No	.23	.07	Home Gold	127,050	.21½	.22	.20	.21½
.	.16	.10	Haida Gold	7,500	.14	.14	.10	.11
1	.02	.01½	Independence	5,000	.01½	.01½	.01½	.01½
1	.04	.01½	Indian Mines	......	.03½	.....	.....	.....
1	.14	.12	Inter. Coal	500	.12	.12	.12	.12
50c	.24	.19	Kootenay Belle	8,400	.20	.22	.20	.22
25c	.02	.01	Kootenay King	5,000	.01½	.02	.01½	.02
25c	.01½	.00¾	L. & L. Cons.	19,000	.00¾	.01	.01	.01
1	.01½	.00¾	Lakeview	5,000	.01	.01	.01	.01
10c	.06	.05	Lucky Jim	1,200	.05½	.05½	.05½	.05½
50c	.01½	.00¾	Marmot Metals	......	.01	.....	.....	.....
10c	.33	.21½	Meridian Min.	218,100	.23½	.27	.21½	.23
No	.24	.11	Mak Siccar	10,700	.24	.24	.23	.23
5c	.04	.04	Metaline Metals	......	.04	.....	.....	.....
No	.39	.13	Minto Mines	134,350	.31	.39	.32½	.37
50c	.13½	.05½	Mogul Min.	11,100	.13	.13½	.12	.13½
.	.01½	.00¾	Mohawk	......	.01½	.....	.....	.....
50c	.43	.20	Morning Star	186,400	.38	.43	.37½	.40
.	.27	.26	Mont'y Ackerman	500	.27	.26	.26	.26
1	.05½	.01	Morton Woolsey	9,000	.02¾	.03	.02¾	.03
1	.13	.05	Native Sons	78,000	.06½	.10	.06½	.08
50c	.09	.04	National Silver	48,750	.05½	.06½	.05½	.06
50c	1.36	.82	Nicola	55,303	.87	.91	.86	.88
50c	.16½	.11	Noble Five	99,850	.15½	.16½	.15½	.16
1	.54	.12½	Pavilion	5,800	.50	.50	.49	.50
1	12.75	11.00	Pioneer Gold	1,650	11.75	12.50	11.50	12.50
50c	.18	.10	Porter Idaho	25,600	.14½	.16	.14½	.15½
No	.02½	.01½	Premier Border	38,000	.01½	.02	.01½	.01½
No	.25½	.16	Princess Royal	200	.18	.18	.18	.18
1	.04½	.03	Quatsino Copper	3,000	.03½	.04	.04	.04
50c	.19	.12	Red Hawk	5,500	.17	.19	.16	.18
No	.22½	.10	Reeves McDonald	500	.20	.20	.17	.18
.01	.18½	.10	Reliance	63,600	.16	.17½	.16	.17½
1	1.25	.87	Reno Gold	23,400	1.13	1.25	1.11	1.21
1	.15	.09½	Reward Mining	16,500	.10	.11	.09½	.11
1	.03½	.01½	Rufus Argenta	6,000	.03	.03½	.03½	.03½
1	.05	.03	Ruth Hope	4,300	.04½	.05	.04	.04
1	.55	.37	Sally Mines	8,357	.53	.51	.48	.51
.	.33½	.27	Salmon Gold	27,440	.30	.31	.29	.30
1	.09	.05	Silverado	1,000	.06½	.07	.07	.07
25c	.04½	.02½	Silver Crest	36,500	.03	.03½	.03	.03
20c	.13	.04	Silversmith	59,300	.09	.13	.09	.10½
50c	.03½	.01½	Snowflake	62,500	.02½	.02½	.02½	.02½
25c	.04	.02	Sonora	......	.04	.....	.....	.....
1	.40	.28	Standard Gold	2,100	.35	.32	.30	.31
10	6.45	4.75	Sunshine	1,000	6.15	6.45	6.15	6.15
1	.28	.20	Sunloch	......	.28	.....	.....	.....
No	.77	.50	Taylor Bridge	61,450	.69	.70	.66	.69
.	.37½	.35	Taylor Windfall	21,850	.....	.37½	.35	.37½
25c	.05	.04	Thurlow Gold	......	.04½	.....	.....	.....
5	.25	.20	Toric	......	.22	.....	.....	.....
50c	.28	.04½	United Empire	22,000	.23	.28	.24	.25
No	2.65	1.40	Vidette Gold	7,700	2.20	2.65	2.20	2.65
No	.27½	.20	Waterloo Gold	21,800	.20	.26½	.20	.23
25c	.04½	.02½	Waverly Tangier	551,056	.03	.03½	.02½	.03
50c	.47	.39	Wayside	276,950	.43	.44½	.40	.44
20c	.08½	.02½	Wellington	4,500	.03	.03½	.03½	.03½
No	.42	.30	White Eagle	3,350	.37	.38	.35	.36½
1	.10½	.06½	Whitewater	6,500	.08	.09½	.08½	.08½

DIVIDEND PAYERS

	Rate	Yield %		Rate	Yield %
Ajax Oil	8c.	6.06	Mercury Oils	4c.	.....
Bralorne	12½c.	.....	Merland Oils‡*	5c.	.....
Bulolo Gold‡	60c.	.....	Model Oils	3c.	.....
Coast Brew	92c.	10	Noranda†	$1	.....
Coniagas‡	12½c.	.....	Petrol Oil‡*	1c.	.....
Cons. Smelters	1.50	.....	Premier	12c.	6.97
Dome Mines	1.50	.....	Pioneer, B.C.	60c.	4.89
Falconbridge	5c.	.....	Royalite*	$1	.....
Goldfield Cons.‡*	5c.	.....	San Antonio†	5c.	.....
Hollinger	65c.+20c.	5.27	Siscoe	12+2c.	6.36
Howe Sound	$3	.....	Sterling Pacific Oil‡	2½c.	.....
Int. Coal & Coke‡	2c.	.....	Sunshine Min.	5+7c.	.....
Inter. Nickel, c.	10c.	.....	Sylvanite	10+5c.	5.64
Lake Shore	$2+$1	6.18	Teck-Hughes	60c.	8.88
McIntyre	1.62½	3.64	Wright-Har.	40+10c.	5.61

‡Interim. †Initial. *Paid in 1933.

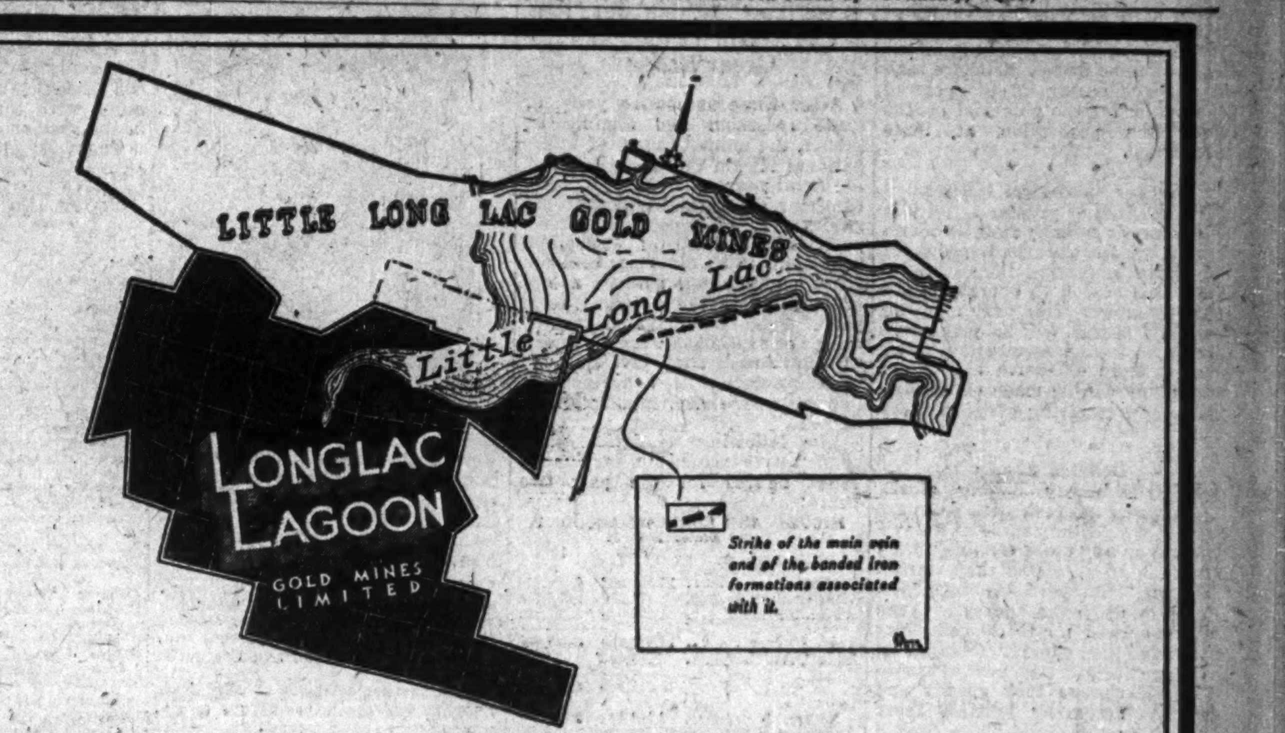
Unlisted Mining Stocks

March 13, 1934

	Bid	Ask		Bid	Ask
Adanac Gold	.31	.34	Lamaque Gold	1.00	1.10
Algoma M. & F.	.15	.17½	Little Long Lac.	2.36	2.42
Arntfield Gold	.80	1.00	McCarthy Webb	.13	.15
Arntfield Synd.	.70	.90	Mackenzie Red Lake	1.02	1.08
Astoria Rouyn	.02½	.03½	McL. Cockshutt	.37	.40
Bathurst	.03½	.04½	Makwa Cham.	.29½	.32
Beattie	1.25	1.35	Manco Gold	.25	...
Bidgood	.02½	.03	Man. & Eastern	.21½	.23
Bloom Lake	.26	.30	Matachewan Can.	.27	.30
Buff. Ankerite	1.75	1.83	Mecca Gold	.20	.25
Bussieres Min.	..	.40	Metals Develop.	.04	.06
Can. Pandora	.30	.32	Minefinders	1.50	2.00
Can. Radium	.06½	.10½	Martin-Bird Un.	14.00	16.00
Canusa Mining	.07	.10	N.A.M.E. Units	5.00	...
Car. Coronada	.25	.28	Normetal Mine	.50	.60
Casey Summit	.55	.58	Northl'd Pros.	...	400.00
Clover G. Units	25.00	25.00	N. Tiblemont Un.	...	10.00
Cochenour Wil.	25.00	35.00	O'Connell Gold	.35	.38
Columario (old)	.34	.38	Oro Grande Dev.	...	.50
Continental Kirk.	.05	.07	Peninsular Pet.	.00½	.01
Coupland Gold	.36	.38	Pickle Crow	.75	.80
Crown Reserve	.04	.06	Pontiac Rouyn	.50	.55
Delta Units	30.00	50.00	Que. Eureka Un.	10.00	15.00
Dorval Siscoe Units	10.00	13.00	Quebec Pros.	2.50	...
Dunlop Cons.	.01	.02½	Queen Lebel	.05½	.07
Eagle Oil	...	1.50	Silveradium Un.	70.00	85.00
Echo Bay Expl.	...	.35	Silver Valley	...	.20
Edgecreek Un.	10.00	15.00	Smelter Gold	.25	.30
Gachin G. Un.	9.00	11.00	Sourdough Un.	5.00	10.00
Galatea Units	30.00	50.00	Sun Bear	...	.20
Glenora Gold	.49	.52	Sunorca Explor.	1.40	1.50
Goldside Units	43.00	50.00	Swayze Contact	...	.16
Gr. Bear Lake	.45	.50	Tashota Goldfield	.24	.28
Gunnar Gold	1.03	1.10	Tashota Gold	.04½	.05½
Herbin Lake Un.	15.00	18.00	Tiblemont Island	.20	.22
Horseshoe	.05	.09	Titurno Units	22.50	26.00
Huronian M.	.50	...	Toburn	1.57	1.64
Huron Oil Un.	15.00	20.00	Tyrrell Tp. McN.	...	40.00
Island Lake	.09	.11	Vipond	.50	...
Johnson Nipigon	.28	.31	West McW. Units	5.00	9.00
Keeley	.30	...	Wendigo	.36	.42
Kenty Gold	.90	1.00	Young Davidson	.48	.53
Kirk. Gold	.22	.28	Young Munro	.10	.13
Lake Geneva	.12	.17			

The above table is made up from quotation sheets of several brokers. The Financial Post does not guarantee the quotations but can supply any subscriber with the name of the broker from whose sheet any particular quotation was taken.

McKenzie Red Lake
Information Upon Request
C. A. GENTLES & CO.
MEMBERS THE TORONTO STOCK EXCHANGE
347 BAY STREET AD. 1327 TORONTO


LITTLE LONG LAC GOLD MINES
Little Long Lac
LONGLAC LAGOON GOLD MINES LIMITED
Strike of the main vein and of the banded iron formations associated with it.

We offer subject to allotment and prior sale

300,000 Shares of Treasury Stock

of

Longlac Lagoon
GOLD MINES LIMITED
No Personal Liability

AT 25c. PER SHARE
The Treasury of the Company will receive 23c. per share net.

CAPITALIZATION
Authorized: 3,000,000 Shares, Par Value $1.00 each
Issued and to be issued (including this offering) 1,300,000 shares

DIRECTORS AND OFFICERS

T. J. Day, Toronto, Barrister, President
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Secretary Treasurer and Head Office:
John A. McFadyen, 85 Richmond St. W., Toronto, ELgin 6289

PROPERTIES—The properties are located in the Thunder Bay Mining division of Ontario and consist of 58 claims (approximately 2,200 acres) of which 49 adjoin the Little Long Lac Gold Mine to the south and west and 9 lie to the east of that mine. The Little Long Lac Gold Mine has opened up spectacular ore bodies and drifting at this mine is now proceeding in the direction of the Longlac Lagoon property with the ore getting richer as the drifts advance. It is believed that the Little Long Lac Mine and adjacent properties will establish a new gold camp of major importance. Thirty of the claims of Longlac Lagoon Gold Mines are owned outright and twenty-eight, known as the Johnson-Gillies group, are controlled on favorable terms under an option. The claims are well timbered and ample water is available from the western arm of Little Long Lac, which forms part of the property.

HISTORY—The Johnson-Gillies group were staked by Tom Johnson (staker of the Little Long Lac Gold Mine), Alec Gillies (co-staker of the Hollinger), Coniagas Mines Limited, and others, all of whom retain an interest. Shortly after they were staked Mr. Percy E. Hopkins (through whose efforts and geological insight the Little Long Lac Gold Mine came into existence) entered into negotiations to acquire them, and was instrumental in combining them into the group which now forms part of the extensive holdings controlled by Longlac Lagoon.

PERCY E. HOPKINS WRITES (in part)—
"A magnetometer survey has just been completed of the four northeast claims and this shows the magnetic iron formation bands to have the general east-west strikes and to be closely folded in places as on the adjoining properties. The largest porphyry dyke occurs near the centre of the group on claim 10115. It is upwards of 30 feet wide and traceable for a distance of 500 feet. One cross quartz vein a few inches wide in the porphyry contains several showings of gold. Ore developments to date at the Little Long Lac Gold Mine from the surface to the 450-ft. level are exceedingly encouraging. If this vein continues along its indicated strike it should cross the Longlac Lagoon's optional water claim 10609 some 7-8 of a mile to the west. The Mosher-Bobjo's last gold discovery lies approximately ¼ of a mile from the Longlac Lagoon's east boundary. Where this vein should enter the latter's property the carbonate schist, quartz and pyrite yield gold on panning. A contract has been signed for 3,000 feet of diamond drilling to commence at once. The first two holes will crosscut the formation on claim 10609, which is on the strike of the Little Long Lac Gold Mine and Mosher veins. These holes will be 800 to 1,000 feet in length. Some drilling will also be done on claim 10115, where gold occurs in porphyry and low values in the adjoining schist."

DEVELOPMENTS—Operations at the Lagoon property which commenced in the early summer of 1933 under the management of J. P. Flynn, Jr., Mining Engineer, were largely concentrated on carrying out the recommendations of Mr. Percy E. Hopkins. Mr. J. P. Nowlan, Geologist, was engaged to make a thorough geological survey of the property, while surface operations consisting of stripping, trenching and blasting of the various rock exposures were under way. Camps were built and all the necessary equipment and supplies shipped in. A topographical survey was conducted in order to establish the exact location of the boundary lines in this area, and as a result three important fractions were found open and staked. Operations to date have established a number of favorable factors, among which the following are especially significant:

(1) The continuation of the magnetic iron band formations, which are characteristic of this area and appear to be associated with the vein systems, has been proven by the magnetometer survey recently completed by Mr. J. P. Nowlan;
(2) Free gold was discovered by Tom Johnson on the east boundary of the property in line with the Mosher vein, where it dips under the lake. This showing will shortly be drilled.
(3) A wide porphyry dike has been opened up in a shear zone in the centre of the property for a distance of over 500 feet. Gold has been panned at numerous points along this zone, and conditions look very favorable for further development.

Numerous other interesting situations were opened up on the property and these will be further investigated in the coming season.

PLANS FOR DEVELOPMENT—Drilling has now been started by the Sudbury Diamond Drilling Company and it is intended to drill several thousand feet in order to test out the various showings at different depths and to determine the most favorable point for shaft sinking and underground operations.
Arrangements have been made to place a second drill machine on the property in order to accelerate these results. Dr. Furse, Geologist, has been designated by Mr. Hopkins to supervise the drilling and to correlate results.
During the coming summer an extensive campaign of surface work is planned to open up those sections of the property that have so far received little attention. It is apparent that the general geology and structure of the Lagoon property is similar in all respects to that of the Little Long Lac mine, and that further development offers splendid prospects of locating profitable ore bodies.
Proceeds of this offering are adequate for all developments contemplated during the next few months, including the commencement of underground operations.

PRESENT OFFERING
300,000 Treasury Shares at 25c per share.

These shares are offered to the public as a speculation. The possibilities of the property under intelligent development have already been demonstrated and are clearly set forth herein, but the shares should only be purchased by those who appreciate the risks inherent in mining developments of this nature. The subcription lists will definitely close on Monday, March 19th, 1934.

STEWART, McNAIR & CO.
Members
The Toronto Stock Exchange
255 Bay Street Toronto ELgin 0421

The Week in Mining

Silver Prospects Advance

THE so-called silver stocks including B.E.A.R. and White Eagle took the centre of the stage of the mining market and staged substantial advances under exceedingly heavy trading when the cue was given that silver had advanced another half cent.

The uncanny facilities of these stocks, all representing prospects in the great Bear Lake area, which have been staging market flurries with even slight advances in silver, suggest some deeper influence than a mere clamoring on the part of the public for the potential profits from the production at these properties.

* * *

Larger Geological Parties

EVIDENCE of greater activity in Ontario's mining field is manifested by the Ontario Department of Mines increasing its geological staff this season to operate in the various areas. This year many of the field parties will be doubled up from two to four members in order that a more extensive and intensive study can be made of the districts now receiving greater attention.

* * *

Delisted Stocks

WHEN penny mining stocks gyrate between wide price extremes within the course of a day's trading on any stock exchange they are open to suspicion that market "rigging" has been the influence. Recently when the shares of Arno Mines surged up to 20 cents per share and then came tumbling down to four cents the new Toronto Stock Exchange took speedy and effective action by delisting these shares from trading. There was a time when such gyration in mining shares would be tolerated but it is evident that a penny, or any stock that seeks to make the Toronto Stock Exchange a convenience for manipulation will be unceremoniously and unostentatiously delisted. This does not mean other exchanges will bar these shares from trading, for Arno Mines has already found new trading facilities on the Montreal Curb Market.

East Crest Finances Subsidiary Companies

Annual report of East Crest Oil Co. for the fiscal year ended December 31, 1933, shows a net profit of $23,611 after depreciation of $56,419. Previous interim statements prevent comparisons with previous years but the gross income was $128,342 including naphtha and gas sales from the company's wells in Turner Valley of $127,297.

The balance sheet as at December 31, 1933, showed current assets of $14,255, exclusive of investments, as against current liabilities of $12,088, leaving a net working capital of $1,177 as compared with $2,293 on September 30, 1933. The balance sheet, signed by H. S. Price, president, carries a notation by W. Herbert A. Thompson & Co., chartered accountants, drawing attention to the fact that during the past year "the directors authorized an investment of $25,000 in Capital Interests, Ltd., upon which $20,000 was paid previous to December 31, 1933."

"They also have authorized," say W. Herbert A. Thompson & Co., "an investment of $34,000 in East Crest Holding & Development Co., upon which $29,000 was paid previous to December 31, 1933. These investments are quite within the powers of the directors, but as they are a departure from the previous activities of the East Crest Oil Co., we feel that they should be referred to the shareholders at the annual meeting for their approval."

Each of these companies have a capitalization of $100,000 in preferred stock and 100,000 common shares of no par value.

The cost of the development of the company's properties in Turner Valley is shown at $625,868 of which $552,551 has been received and of this $157,533 has been applied to depreciation reserve.

Northern Canada Mining Report $6,290 Net Profit

The annual report of Northern Canada Mining Corp. for the fiscal year ended December 31, 1933, shows the company in a much stronger liquid position with its holdings in Kirkland Lake Gold Mining Co., and Kenty Gold Mines, its two principal interests, unchanged from last year. Net profits are shown at $6,290 as compared with $165 for the previous year.

The company operates as a holding and exploration company owning 1,721,527 shares of Kirkland Lake Mining Co., and 602,000 Kenty Gold Mines shares. The profits of $16,915 shown from sale of securities in the company's profit and loss account are attributable, The Financial Post is officially informed, to its trading activity, reflecting its operations as a holding company.

J. B. Tyrrell, president of the company, reports that the two prospectors sent to the Great Bear Lake area in the spring of 1932 to prospect the claims of the Ursa Major Mines, another subsidiary of the company, returned in September, 1933. Some silver-bearing veins were found though neither were sufficiently large or rich to warrant the continuance of independent operations in the district. The annual meeting of the company is called for March 28 in Toronto.

NORTHERN CANADA MINING CORPORATION, LIMITED
Invests in Canadian Mines and Mining Properties
J. B. TYRRELL,
President and Managing Director,
Room 930, 25 King Street West,
TORONTO, CANADA

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a change in telephone numbers to
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Junction 1167

Canadian Mining News

International Nickel Earns 53 Cents on Common Stages Fast Come Back

Nickel Sales Jump 116 Per Cent in Fiscal Year

OUTLOOK BRIGHT

Employment Advances to 8,297, of Which 86 Per Cent is in Canada and Great Britain

After three successive years of trade recession and diminishing profits, the annual report of International Nickel Co. of Canada for the fiscal year ended Dec. 31, 1933, records a substantial upturn in the affairs of the company, which reports a net profit of $9,652,584, equivalent to 53 cents per common share outstanding, against a loss of $135,345 in the previous fiscal year. Preferred dividends to the extent of $1,933,899 were disbursed as usual and common dividends are to be resumed with a payment of five cents per share, payable March 31 next.

The following tabulation gives comparative income and surplus account figures for the past two years:

INCOME AND SURPLUS ACCOUNT
Years Ended Dec. 31

	1933 $	1932 $
Earnings*	16,608,523	4,473,914
Less: Gen. office exp.	1,072,096	1,006,853
Res. for taxes	1,504,744	139,401
Oper. income	14,031,683	3,327,660
Add: Other income	188,306	35,740
	14,219,989	3,363,400
Less:		
Deprec. & deplet.	3,551,653	2,763,438
Retire & insur. res.	555,988	398,418
Int. paid and accr.	449,763	336,889
Net profit	9,662,584	§135,345
Less appropriations:		
Preferred divds.	1,933,899	1,933,909
Surplus for year	7,728,685	§2,069,254
Add: Prev. surplus	14,688,560	16,757,814
Tax adjust.	350,326	......
Balance forward	22,767,570	14,688,560

§ Deficit.

* After deducting manufacturing, selling expense, ordinary repairs and maintenance.

Earnings per Share and Dividend Record:

		1933	1932
Pref.:	Earned	35%	nil
	Paid	7%	7%
Common:	Earned	$0.53	nil
	Paid	nil	nil

The outstanding features of the year's operations were increased nickel sales, increased copper production, higher copper prices, increased platinum production, higher platinum prices, lower production costs in all branches of the enterprise and almost doubling the payroll, which at the end of the year totalled 8,297 employees, including 4,772 in Canada and 2,339 in Great Britain, or 86 per cent of the total.

Sales Up 116 Per Cent

During the year 1,336,040 tons of ore from the Frood and Creighton mines at Sudbury were treated as compared with 666,468 tons in 1932. The Port Colborne refinery produced 41,496,664 pounds of nickel, while the Clydach, Wales, refinery produced 20,760,117 pounds, or an increase of 290 per cent over the 1932 production. The copper output from the company's refining subsidiary, Ontario Refining Co., at Copper Cliff, was 58,098 tons of refined copper or an increase of 1932.

The sales of nickel in all forms increased 116 per cent in 1933 to 74,356,969 pounds, or 77½ per cent of the world's total consumption, estimated at 96,000,000 pounds. Sales of nickel in the form of refinery products, unfabricated, amounted to 61,353,495 pounds, or 82½ per cent of the total sales of nickel in all forms, or an increase of 148 per cent over the previous year. Sales of nickel in the form of products from the rolling mills totalled 13,003,474 pounds or an increase of 35 per cent over the previous year. Sales of Monel Metal, copper-nickel alloy, a direct product from the Creighton ore, totalled 9,101,219 pounds, or an increase of 19 per cent over 1932. Rolled nickel accounted for 6,287,991 pounds, or an increase of 60 per cent.

Big Capital Expenditures

Notwithstanding capital expenditures made during the year of $448,625 on plant and mine improvement; $3,000,022 in connection with the purchase of a further interest in the Ontario Refining Co., now approximately 68 per cent and the advance payment of $300 of five per cent serial purchase notes accruing in 1934, the current assets of the company increased to $40,318,040.

Working Capital

	1933 $	1932 $
Current assets	40,318,040	28,870,854
Current liabilities	5,021,711	3,012,483
Working capital	35,296,329	25,858,371

Robert C. Stanley, president of the company, in the report to shareholders anticipates a further capital expenditure in 1934 involving some $1,700,000 to provide for further smelter facilities and a development programme for the Frood and Creighton mines.

As a further evidence of officials to simplify the capital structure of the company it is proposed to retire £375,000 five per cent debenture stock outstanding of the Mond Nickel Co., similarly, it is proposed to retire the £148,700 debenture stock of the Henry Wiggin & Co., a Mond subsidiary.

Mr. Stanley, in reviewing the outlook for the world's nickel industry, referred to the gradual increase in the volume of nickel sales since May, 1932, which was reflected in profits being realized in each succeeding month of the year. An encouraging feature was seen that in all the consuming fields nearly every buyer took more nickel in 1933 than in 1932. The nickel business is recovering from world trade depression more rapidly than almost any other basic industry, said Mr. Stanley, and this is not attributed to its international scope, but even more to the multiplicity of comparatively recent applications of the metal. The one paramount factor in the improved nickel sales was the increase during 1933 in the production of automotive vehicles, also the continued liquidation, during 1932, to an almost negligible tonnage, the nickel bearing scrap resulting in the nickel-consuming industry which is now operating almost wholly on the basis of newly-mined metals.

The number of common shareholders in the company decreased during the year and on December 31 totalled 89,122 as compared with 98,557 at the end of the previous year, a decrease of ten per cent. indicating more substantial holdings among fewer shareholders.

The annual meeting of the company, is called for March 27 in Toronto.

New Partner

H. W. KNIGHT

New partner in the firm of Draper, Dobie & Co., members of the Toronto Stock Exchange. He was formerly president and general manager of Service Station Equipment Co.

SHARE EARNINGS OF SAN ANTONIO 9 CENTS IN 1933

Mill Being Increased to 275 Tons Daily — Ore Reserves Up

Annual report of San Antonio Mines for the fiscal year ended December 31, 1933, reflects a big change in the company's position with improved earnings, greater production, increased ore reserves, brighter development outlook and improved liquid position. Net profits were $209,623 equivalent to nine cents per share on the 2,231,302 shares outstanding, as compared with three cents per share in the previous fiscal year.

The following tabulation shows earnings for the two years that the property has been in production:

INCOME AND SURPLUS ACCOUNT
Years Ended December 31

	1933 $	1932 $
Gold production	470,831	259,240
Exchange comp.	186,639	33,890
Production income	657,470	293,130
Less:		
Develop. & mining	270,557	155,083
Milling	97,980	64,366
Marketing	4,374	2,124
Adminis. & gen. exp.	11,558	13,904
Operating income	273,001	57,653
Add non-oper. income:		
Solution in process	......	66,561
Miscel. income	22,189	611
Operating profit	295,190	124,825
Less: Deprec.	60,066	54,561
Organ. written off	500	531
Net profit	209,624	69,733
Previous surplus	69,733	......
Balance forward	279,354	69,733
Earnings per Share and Dividend Record:		
Earned	$0.09	$0.03
Paid	nil	nil
Shares outstanding	2,231,302	2,231,302

Note—An initial dividend of five cents per share was paid March 15, 1934.

The value of the company's gold production was $657,470 including exchange compensation as compared with $359,691 in the first year of operation. The following tabulation gives comparative summaries of operations for the two years:

Summary of Operations
(Years Ended December 31)

Year	Tons Milled	Milled Daily	Recovery Per Ton	Bullion Value (gross)
1932	30,419	127	$ 9.60	$293,130
1933	55,677	152	11.8	657,470
				$950,600

During the year the initial mill capacity of 150 tons daily was gradually stepped up to a maximum rate of 190 tons to average 152 tons daily for the year. Early in March, 1934, additional concentrating cables, ball mill for regrinding concentrates and allied equipment were added to bring the capacity to 275 tons daily.

Notwithstanding increased costs for development and taxation operating costs for 1933 were $7.46 per ton as compared with $7.74 in the previous year.

Development work during the year was of an exceedingly satisfactory nature, ore reserves put in sight increased to 154,000 tons averaging .425 oz. of gold per ton as compared with 74,450 tons shown at the end of the previous year. About 57 per cent of the total drifting was in ore, while the outstanding development of the year was the No. 26 vein which now appears to be the major fracture in the basalt. Recent work on this vein on the 300-ft. level has indicated its persistence through the stoped area of the No. 16 vein and drifting is continuing in ore 125 ft. south of the No. 16 vein. It has now been opened up on three levels and there is no structural reason, according to officials of the company, to prevent a continuation below the present level on which it has been developed.

The balance sheet of the company shows a strong liquid position, which permitted the declaration of an initial dividend of five cents per share, payable March 15.

The following is a comparative statement of working capital:

Working Capital
(As at December 31)

	1933 $	1932 $
Current assets	510,032	259,090
Current liabilities	50,886	38,881
Working capital	459,146	220,209

The annual meeting of the company is called for March 15 in Winnipeg.

The Aldermac Mine is operating its 500-ton mill, the high-grade pyrite concentrate being shipped to Chicago and the copper concentrate going to the nearby Noranda smelter. As the two-compartment shaft formerly in use limited the daily tonnage in 500 tons, a third compartment has now been provided.

ONTARIO MINES
Metal Production and Dividends Paid by the Mines of Ontario, Canada's Premier Province, to the end of 1933.

	Production	Dividends
Gold	$500,900,000	$153,108,020
Silver	$257,300,000	$ 97,691,281
Nickel	$359,300,000	$149,723,449
Copper	$148,100,000	
Total	$1,265,600,000	$400,522,750

Ontario Department of Mines
HON. CHARLES McCREA
Minister of Mines
TORONTO - CANADA

DRAPER DOBIE & CO.
MEMBERS TORONTO STOCK EXCHANGE
ANNOUNCE THAT
as of March 1st, 1934 the partnership of the Company consists of Messrs.
DRAPER DOBIE
AND
H. W. KNIGHT
NORTHERN ONTARIO BUILDING
TORONTO
Telephone: ADelaide 9171

Announcing
the formation of
J. M. R. CORBET & CO.
LIMITED
to conduct a general brokerage business specializing in Mining Securities.
330 Bay St. ADelaide 4936 Toronto

Nova Scotia Gold

The Government will co-operate with any substantial mining, exploration company, or capitalist, while examining or operating a gold mining property. If possible will supply—

1. Services of Government Engineers.
2. Geological and mining information, maps, plans, etc.
3. Government assaying and ore testing.
4. Protection of operating company's interest while in the Province.
5. Electric or other power.

The gold fields of Nova Scotia as yet undeveloped offer attractive possibilities.

Hon. Michael Dwyer
Minister of Mines,
HALIFAX, N.S.

WE OFFER (Subject to allotment)
250,000 Shares of
BIG LONG LAC GOLD MINING COMPANY, LIMITED
(NO PERSONAL LIABILITY)
Incorporated under the laws of the Province of Ontario
CAPITALIZATION
Authorized - - - - - - - - - - 2,000,000 shares (N.P.V.)
Issued for properties and development to date - - - - - - 700,000
In Treasury (including this offering) 1,300,000

OFFICERS AND DIRECTORS

Secretary-Treasurer Edward F. MacDonald Toronto, Ont.	President Gordon P. Campbell, Esq., Barrister Arnoldi, Parry & Campbell Toronto, Ont.	Vice-President J. Don. Cockburn, Esq., Lumberman Sturgeon Falls, Ont.
Donald M. Springer, Esq., Pres. Toronto Fuels, Limited Toronto, Ont.	Glenholme Hughes, Esq., Vice-Pres., Campbell Mfg. Co., Ltd. Toronto, Ont.	W. I. Banfield, Esq., Manufacturer Toronto, Ont.
SOLICITORS White, Ruel & Bristol Arnoldi, Parry & Campbell Toronto, Ont.	AUDITORS Sharp, Milne & Co. Toronto, Ont.	BANKERS The Can. Bank Commerce Toronto, Ont.

TRANSFER AGENTS AND REGISTRARS
The Trusts & Guarantee Co., Ltd.,
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PROPERTIES
Developing a group of 16 mining claims in one group of approximately 140 acres on the west shore of Long Lac, Little Long Lac area, Thunder Bay District, Ontario, on which 8 veins have been exposed assaying up to $23.30 per ton in gold. (Gold at $20.67 per ounce).
Price 20 CENTS per share
Subscriptions may be forwarded to
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GOLD — SILVER — OIL ROYALTIES
Whole and part Turner Valley oil royalties. Mining property and whole issues — Bridge River—Cariboo—Portland Canal and other districts of British Columbia.
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Rogers Building, Vancouver, B.C.

THE UNDERSIGNED OFFER FOR SUBSCRIPTION
SHARES IN A SPECULATIVE INVESTMENT OF EXCEPTIONAL MERIT

250,000 TREASURY SHARES OF
TOM
JOHNSON-NIPIGON MINES
(No Personal Liability)
LIMITED

Capitalization 2,000,000 Shares ($1.00 Par Value) Issued 1,212,505 Shares—In Treasury 787,495 Shares
(Including Present Issue)

A Gold and Silver Development Discovered and Staked by
TOM JOHNSON
Staker of THE LITTLE LONG LAC MINE

AN OUTSTANDING RECORD—Few names in the history of Canadian Mining development stand out more prominently than that of Tom Johnson, whose broad knowledge of Canadian mineral deposits has brought wealth to thousands. Those investors whose belief in Mr. Johnson's Little Long Lac discovery caused them to buy shares of that company at 25c, when they were placed on the market less than a year ago at that price, have a profit of over 800% on their investment at current quotations.

A short distance north of the Little Long Lac is another Johnson property, controlled by Alderson & McKay Inc., where initial production has been unofficially reported to have exceeded four ounces in gold for each ton of ore mined.

Now comes a further opportunity to share in the exceptional success of a man whose outstanding record has gained the confidence and respect of the mining world.

A PROVEN DISTRICT — The Johnson-Nipigon property is located in the Port Arthur - Kowkash mining area, where three properties have already been sufficiently developed to justify mill construction. Beardmore Gold will have their mill operating in March, 1934, Little Long Lac have just announced plans for the installation of a two-hundred-ton mill which they expect will be in production by August of this year, and Tashota Goldfields adjoining the Johnson-Nipigon have just announced purchase of a mill.

EARLY HAZARDS OVERCOME — Developments at the Tom Johnson-Nipigon Mine are well advanced. Substantial capital has already been expended on the property by a group of prominent mining engineers and their associates, who have had a crew of eight men engaged on development work since July, 1933. It is proposed to install a complete mining plant at once.

MR. JOHNSON STATES—"Heavy mineralization has been traced across two-thirds of the 'Johnson Claim' K.K. 442, which in places exceeds a width of over 300 feet. Commercial gold values have been secured over several sections, and the geological conditions are undoubtedly most favorable for ore deposition. It is my firm opinion that a commercial ore body exists on Mining Claim K.K. 442 of the Tom Johnson-Nipigon Mines, Limited."

MANAGED BY ENGINEERS — Associated with Tom Johnson in direction of the affairs of his company are three prominent engineers whose complete confidence in the future success of this development has induced them to join the board of directors.

HIGH GRADE GOLD AND SILVER—Two clearly-defined vein structures carrying exceptionally high values in gold have been definitely proven 2,000 feet or more in length in a mineralized zone ranging from 40 to 300 feet in width. A third vein about 1,200 feet north of the original discovery carries silver ore, assaying as high as 40 ounces per ton in addition to substantial gold values.

EXTENSIVE VALUES INDICATED AT DEPTH—That an enrichment of these high values will occur at depth is definitely indicated from the results at the 200-foot level on the adjoining property to the east, where an expenditure of about $400,000.00 has revealed that the highest gold values occur in the "D" Vein within a few yards of the Johnson-Nipigon eastern boundary.

These gold assays are officially recorded in the 40th annual report of the Ontario Department of Mines, Volume XL., Part IV., 1931, page 92, as follows:

Widths of Samples	Values in Gold	Widths of Samples	Values in Gold
5 ft.	$30.40	7 ft.	$17.60
4 ft. 6 in.	32.00	5 ft.	18.40
5 ft.	12.00	5 ft. 6 in.	48.40
6 ft.	15.20	5 ft.	22.40
7 ft.	31.20		

These assays were computed at the gold price of $20.67 per ounce. Present values are approximately 75% higher.

CONSULTING ENGINEER'S STATEMENT
Philip H. Crawshaw, M.E., President of Tom Johnson-Nipigon Mines, Limited, states: "From previous examinations and reports which I have made on various mining properties in this area, and which also includes my recommendations and later management of mine development of the Beardmore Gold Mine (now being brought into production), I am of the opinion that the Johnson-Nipigon property has most favourable geological structure for the occurrence of large ore bodies, and its mineralized zones are of far greater extent than those occurring on any other properties which I have examined in this district, including Beardmore."

OFFICERS AND DIRECTORS
Philip H. Crawshaw, M.E., Pres. & Man.-Director
J. Ralph Scott, M.E., Vice-Pres.
Tom Johnson (Staker), Director
Frank E. Horne, Met.E., Director
M. Osborne Inglis, B.A. (Barrister) Sec.-Treas.
HEAD OFFICE — 1005 BANK OF HAMILTON BUILDING, TORONTO, ONT.
ELgin 4049
Transfer Agent: Toronto General Trusts, Toronto, Ont. Bankers: Imperial Bank of Canada, Toronto, Ont.

The distribution of this first public issue of Tom Johnson's own company has been delegated to the undersigned, who offer the shares of Tom Johnson-Nipigon Mines, Limited, as a speculative mining investment with unlimited possibilities for substantial profits.

Price: 30 Cents Per Share

Subscription books for this first public issue will remain open only until the 250,000 shares are disposed of. All subscriptions will be accepted subject to prior sale, and allocation of shares will be made in the order received. The right is reserved to allot less than the number of shares applied for and to close the subscription books without notice. All money received in excess of the total amount of this issue will be returned to the sender.

Application may be mailed, wired or phoned to the undersigned or sent through your own broker.

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Members Toronto Stock Exchange
245 BAY ST. ELgin 0421 TORONTO
PIGOTT BLDG. Regent 1048 HAMILTON

Williams, McLean & Bell
Members Toronto Stock Exchange
25 RICHMOND ST. W. TORONTO
ELgin 2341

Frank S. Leslie & Co.
Members Toronto Stock Exchange
304 BAY ST. ELgin 8401 TORONTO

This issue having been underwritten the treasury of the company has already received payment or commitment to pay from the underwriters, consequently the proceeds are not payable to the company whose securities are hereby offered to you. A commission of two cents per share is being allowed by the underwriters to duly registered brokers or bankers for the reception and transmission of orders.

Please Note: — A full descriptive circular giving fuller and more complete details and containing map showing the location of the Tom Johnson - Nipigon Mines, Limited, property, will be forwarded on request without obligation.